Daily Report

Supplement

Soviet Union

International Affairs

Soviet-Japanese Relations

FBIS-SOV-91-075-S
Thursday
18 April 1991

Soviet Union

International Affairs

Soviet-Japanese Relations

FBIS-SOV-91-075-S *18 April 1991*

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Soviet-Japanese Relations

Prospects for Soviet-Japanese Ties Assessed

91UF0644A Moscow RABOCHAYA TRIBUNA in Russian 12 Apr 91 p 3

[Article by Igor Titov under the rubric "On the Occasion of the USSR President's Visit to Japan": "To Tokyo, With Hope"]

[Text] The need to improve the USSR's relations with Japan and ensure for our country favorable conditions for political and economic cooperation with countries of the Asia-Pacific region is forcing us to seek mutually acceptable ways out of the territorial problem bequeathed us by history.

In formulating the approaches to it, it will inevitably be necessary to take account of more than just its historical and legal aspects. I personally do not doubt that Japan is capable of pulling us out of the mire. It is a question of the kind of conditions there are for this. Yes, it needs politically stable (and this is connected with the economy) neighbors. But only dim memories remain of its interest in our raw material resources.

Japan has never regarded trade with Russia and the Soviet Union as an element of its economic development. Even the Japanese themselves emphasize that Japan's interest in the USSR is conditioned by strategic factors—the proximity to its territory of a great military power, with which (from the viewpoint of national security) it is essential to maintain a certain level of economic relations. But those same strategic interests caution Japan against profound dependence on the Soviet market and the sale to the USSR of the highly intricate technology and the latest equipment it needs—even that from which Cocom restrictions have been lifted.

All this is, I agree, the bitter legacy of the "cold war" era or, if you will, the old way of thinking. But, unfortunately, this is still a reality of the present day....

Would these factors disappear with a solution of the territorial question? Hardly right away. The Japanese principle of "nondivision of politics and economics" seems to me a kind of bait in this connection. The Japanese Government itself has declared repeatedly that the islands are not the main obstacle to economic cooperation with the USSR.

It puts in first place the undeveloped nature of market relations in the USSR, its economic assistance to its allies, and the high spending on defense and modernization of the military potential in the Far East. But let us not blame others. Let us think: Why does the Japanese Government believe that it is useless to grant us loans? As Japanese Foreign Minister T. Nakayama put it, it would be the same as "throwing money into the gutter...."

Even if it is assumed that economic assistance would be rendered us on an altruistic basis—which is unlikely—it is important to ask the by no means idle question: Would we able to avail ourselves of what we received with the maximum efficiency? After all, loans would sooner or later have to be repaid, and with interest. The absence, meanwhile, of an efficient economic mechanism, established system of control, and a precise and proven program of economic recovery does not permit an unequivocal answer to this question. The same factors plus the wretched nature of the transport and information infrastructure, the nonconvertibility of the ruble, the leapfrogging of laws, the confusion in the definition of a partner, and much else are killing off entrepreneurs' already weak interest in our market. We are frightening off even those who have maintained traditional trading relations with us by the delay in the payment for products supplied to the Union. For us this is a delay, but for Japanese firms a tragedy virtually, entailing losses.

But it is, after all, private Japanese companies, not the government, as Prime Minister T. Kaifu has emphasized repeatedly, that have the decisive say in matters of capital investments, which could be of serious assistance to us. The government's role in this case is extraordinarily important: guarantees and the preferential extension of credit via the Export-Import Bank of Japan. But the music is, nonetheless, ordered by private capital. And it is undecided as yet. Its misgivings concerning the profitability of business in the USSR are being further intensified by the hard line of the Japanese Government connected with the unsolved nature of the territorial problem.

It is notable, however, that even the existing possibilities have yet to be realized. Commodity turnover is at a standstill. It has even diminished in real terms. And in the current year it will, in the opinion of certain Japanese businessmen, have declined in monetary volume also.

A passive mood in respect of economic assistance to the Soviet Union prevails in Japan's business circles, in the opinion of G. Hiraikawa, chairman of the Federation of Economic Organizations (Keidanren), who is often called the "businessmen's premier."

Japanese industrialists do not like the idea of taking risks from scratch. All their postwar successes have been based on the virtuoso use of others' achievements and experience. They consider it irrational to invest capital where they see no quick and guaranteed return. Even in the sphere of joint enterprise Japan lags considerably behind its European and American competitors: only 33 Soviet-Japanese enterprises have been registered as yet, and two-thirds of them are functioning in the service sphere....

It was with good reason, probably, that G. Hiraikawa, immediately following his election to his high position, called on Japanese businessmen to develop economic relations with Soviet enterprises more actively. With an

extension of Soviet-Japanese relations, he emphasized, the problem of the territories "will solve itself."

These words, in my view, contain an algorithm of a settlement of the problem. It is high time that we developed relations in a planned manner, calculated the options for several moves ahead, and played the chosen part while lending a sensitive ear to our partner.

One further factor influencing our approach to the problem is the political and strategic pluses which we obtain from its solution. Without a benevolent attitude on the part of Japan it will be difficult for us to achieve active involvement in the political processes and economic cooperation in the Asia-Pacific region, which has recently been developing at a fantastically rapid pace and could by the 21st century have become the "locomotive" of the world economy. Under conditions where economically restricted groupings are taking shape in Europe and on the American continent, Japan and the other countries of the Asia-Pacific region are endeavoring to create their own prohibited zones. The importance of our country's association with regional economic organizations is impossible to exaggerate. An important prospective direction in the Asia-Pacific region is the dismantling of the "cold war" structure and the creation of a regional security system. Without a cardinal improvement in Soviet-Japanese relations these strategic goals will be unattainable for us.

I do not believe that when analyzing the territorial problem the Soviet leadership does not take account of the strategic significance of the islands themselves also. No one is intending to attack us, of course, but geopolitics are, like it or not, as before, a reference point of the diplomacy of the majority of states.

In view of the fact that there is practically no information on this matter in our press, I cite, as is customary in such cases, the opinion of foreign experts.

The report of the U.S. Defense Department "Soviet Military Power" calls the "Northern Territories" a "fortress" and "natural barrier" protecting Soviet nuclear submarines in the Sea of Okhotsk. Professor P. Kreisberg of the American Carnegie Foundation believes that the "Northern Territories" are, as before, an important strategic sector, and unless Japan agrees to the corresponding steps in the sphere of demilitarization of this region, the handover of the islands "would seem a complicated business." The most important, in the newspaper YOMIURI's opinion, which cites sources in the Self- Defense Force, is the "island of Iturup, whose handover could sharply change the value of the Sea of Okhotsk from the military viewpoint." Many foreign analysts believe that, following the elimination of intermediate- and short-range missiles and also in the event of the conclusion of an agreement on a reduction in ground-based and sea-launched strategic arms, the significance of the missiles deployed on submarines in the Sea of Okhotsk will increase considerably.

Denying the strategic importance of the islands, other scientists and specialists give as an argument the fact that the Sea of Okhotsk is not even in the present situation closed to the U.S. Navy, which, incidentally, is rejecting all proposals concerning a limitation of military activity, ASW exercises, for example, in the Sea of Okhotsk.

It is difficult for a nonspecialist to evaluate the situation. But everything will ultimately depend on the progress in Soviet- American relations and the concept of national security which we have worked out for ourselves, on what we consider priority in it, and on our fundamental approach to the development of events in the Asia-Pacific region.

The position of the Russian leadership is contributing new nuances to the problem. Article 8 of its Declaration of Sovereignty says that "the territory of the RSFSR [Russian Soviet Federated Socialist Republic] cannot be altered without the say of the people expressed by way of referendum." Any agreements on territorial changes, B. Yeltsin declared, will be invalid if they are achieved in circumvention of Russia. The draft Union treaty envisages a provision on the need for the consent of the corresponding republic on a change in the borders of the Union. RSFSR Foreign Minister A. Kozyrev believes in this connection that the Union leadership should acknowledge the problem and pass it on for examination to Russia. Somewhat perplexed by the current situation, the Japanese Foreign Ministry declares that Japan's negotiating partner is the Soviet Union, and that clarification of relations with the republic is its internal affair. At the same time the fact that representatives of Russia are a part of the Union working group on preparation of the treaty is noteworthy. As is the fact that A. Kozyrev went to Tokyo at the end of March together with USSR Foreign Minister A. Bessmertnykh to prepare the visit of the president of the USSR.

M. Gorbachev's visit to Tokyo will undoubtedly create a qualitatively new atmosphere in Soviet-Japanese relations. Which, in turn, will afford prospects for new, even the most unexpected solutions, perhaps. Life itself, as we have seen for ourselves repeatedly, suggests ways out of impasse situations acceptable to all parties. The territorial problem cannot, understandably, be solved at a stroke—it has been created, essentially, over decades. It is important that the reference point on such complex matters be international law and the good will of the parties, each of which must take his own route toward a compromise.

In my view, an essential role in an improvement in our relations could be performed by the condemnation of the Stalin regime's deportation of 600,000 Japanese prisoners to the territory of the USSR, 60,000 of whom died without returning home; the introduction of entry for Japanese to the Kuril Islands without the need for a visa; the opening of certain Sea of Okhotsk ports for calls by Japanese ships; an appreciable reduction in Soviet military potential in the Far East and on the Kuril Islands and, possibly, their demilitarization also.

After all, the main thing is to change our attitude toward one another, not seeing the neighbor as an enemy or "presumed enemy," and finding spheres of economic, scientific and technological, and cultural cooperation which would bring our countries and peoples closer together and engender common interests and goals. However impracticable these wishes seem, there is always hope and prospects: The world is changing very quickly, and there is nothing in it that cannot be changed for the better.

'Uncompromising' Tokyo Stance on Islands Hit

PM1204221991 Moscow PRAVDA in Russian 13 Apr 91 First Edition p 6

[Correspondent I. Latyshev report: "The View from Tokyo... Great Hopes"]

[Text] It can be said without exaggeration that the USSR president's upcoming visit is regarded by the Japanese public as the biggest political event of recent years. The topic of Soviet-Japanese relations today dominates the press, television programs, and discussions by politicians and academics here.

Constructive, optimistic views on future cooperation between our two neighboring countries take up quite a large share of the time during these discussions. Different kinds of business, cultural, public, and other relations are being widely discussed by the proponents of such views.

Quite often, however, a destructive, unfriendly, and even peremptory tone is heard in statements by influential people. The atmosphere prevailing in government circles and the political world of Japan in the runup to the visit indicates that the USSR president will have to contend during the summit talks with attempts to apply tough pressure on our country, including a desire by some of his interlocutors to put forward deliberately unacceptable categorical conditions during discussion of contentious issues.

This is eloquently shown by current oft-repeated statements by Prime Minister Toshiki Kaifu and other government ministers about their invariable commitment to the well-known demand for the "return of the four islands to Japan." The Soviet Union's agreement to hand over these islands to Japan is presented here as a sine qua non of the conclusion of a peace treaty. This is also indicated by the resolutions unanimously approved by both chambers of the Japanese parliament on 9 April in which the government is unequivocally instructed to seek to secure the return of the four Japanese islands at the talks with the USSR president. The political point of these resolutions is that parliament has deprived the Kaifu government of any room for maneuver by cutting off a way of retreat from his present tough and deliberately unrealistic stance. The same uncompromising course is also currently maintained by the leadership of the Japanese Foreign Ministry: Recent statements by its representatives stress that the government will not give up its demand for the transfer of all four islands to Japan at the summit talks even if the Soviet side agrees to hand over two of them, namely Habomai and Shikotan. The maximum [as published] that Japanese participants in the talks might agree to, at a pinch, as is clear from Japanese press explanations, would be the prompt recognition by the Soviet leadership of Japanese sovereignty over the four islands with the transfer to Japan of, first, two islands and then all four after a certain time had elapsed.

In putting forward such a deliberately unacceptable talks agenda Japanese state figures, politicians, and the press seem to have persuaded themselves that the improbable is possible, namely that the eminent Soviet visitor will agree to their claims. One of the sources of such hopes is perhaps the great and rapid successes achieved by the Japanese economy. These have turned the heads of certain of the leaders of the Japanese business and political world and generated the illusion that the development of Japanese-Soviet relations is determined solely by the unilateral will of "rich Japan."

True, the illusions bound up with hopes of a rapid signing of a peace treaty on Japanese terms that are transparently unacceptable to the Soviet Union are gradually being dispelled today. Some newspaper commentaries published in recent days voice doubts as to the possibility of the Soviet side's giving way to Japanese pressure and, consequently, the possibility of reaching accords on a peace treaty. Unfortunately, insight in this question is coming too late and the Japanese side will scarcely now manage to reach a realistic position during the upcoming talks.

A statement made the other day at a Tokyo press conference by Gaishi Hiraiwa, leader of the Japanese Federation of Economic Organizations, the main Japanese business body, is noteworthy in this regard. He had hitherto, as is well known, spoken in support of the government's course of strict linkage between questions of business cooperation and the territorial demands. But showing a marked departure from that course, Hiraiwa made the following remark: "In my view, the settlement of political questions, including the problem of the northern territories, should correspond to the development of the economic relations of the two countries. But even if such a settlement is not reached, I consider it necessary all the same to develop Japanese-Soviet relations." Good, sober thinking, showing that Japan's business circles are sometimes far more capable than politicians in appreciating the real needs and and interests of society.

I will cite just one fact in corroboration of this: On 9 April Tokyo hosted a conference of the leaders of the country's seven major business associations, including the Federation of Economic Organizations, the Japanese Chamber of Trade and Industry, the Japanese Federation of Business Associations, and other influential associations. At the conference it was decided that the

leaders of the aforementioned organizations will officially present for the USSR president's examination at their upcoming meeting with him a program of Japanese-Soviet business cooperation drawn up on their own initiative.

Many other joint Soviet-Japanese meetings, conversations, and talks timed to coincide with the USSR president's visit will also be imbued with a spirit of cooperation, good intentions, and consideration of mutual interests. The long, strenuous, hectic work by diplomats and the staff of other state departments of both countries to pave new routes of bilateral cooperation and strengthen old ones is now finally nearing competion in Tokyo as the visit draws nigh.

The 15 rough drafts of bilateral accords and agreements, the final endorsement and signing of which should take place during the USSR president's stay in Japan, are the fruit of that labor.

The work of preparing the USSR president's visit to Japan carried out in the last months has made it possible for both sides to carry out a kind of stocktaking of the achievements of Soviet-Japanese cooperation to date. And although neither side is inclined to overestimate those achievements, there are nevertheless no grounds for belittling them.

'Common Sense' Kurils Strategy Advocated

91UF0638A Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Apr 91 p 3

["Our Commentary" by K. Sarkisov, director of the center for Japanese research of the Institute of Oriental Studies of the USSR Academy of Sciences, prepared for publication by Ye. Kalyadina and N. Tsvetkov: "Yielding to Common Sense, Not to the Japanese"]

[Text] The task of the visit of the head of our state to Japan, the first in the entire history of Soviet-Japanese relations, is to make a 180-degree turn from a negative historical trend and to create the preconditions for a new epoch in their relations. This is not rhetoric, and this is vitally important not only for us, but also for the Japanese, no matter how much they are prospering now and think that it is only necessary for us.

But the visit can be successful, if it moves the problem of concluding a peace treaty forward, a treaty that does not exist yet. One of the main reasons for its absence is the territorial question. Of course, its resolution and the signing of a peace treaty on this basis will not in itself lead to an immediate blossoming of bilateral relations. One should also not expect a stream of Japanese goods and capital. All of this will take place, but not immediately, and in the event that we establish a market and an infrastructure in the Far East and in Siberia.

However, the question of a peace treaty is not a subject for economic haggling. Its value is more than a billion dollars, especially if national interests are viewed in the long term and not opportunistically. But perhaps it is also possible to live without a peace treaty, figuring that with time the acuteness of the territorial problem will disappear and people will simply forget about it? Hardly. What did we achieve in all of the postwar years by keeping quiet about this problem and denying it? Nothing.

But the reader has a right to ask the question, if this is a problem of skillful solicitations of the Japanese for our age-old territory, then why should we make concessions? Thank God, despite the entire perestroyka chaos, we still have the forces to defend our territory! Alas, the Japanese also have reasons for raising this problem and achieving its settlement.

At a minimum, glasnost gives us the opportunity to attempt to analyze the essence of the issue calmly and objectively, not rushing from great power status to the other extreme—self-reproach, self-disparagement, and an inferiority complex. And to attempt to resolve it not on the basis of a mercantile approach, but on the basis of historical and legal justice.

Therefore, if we come to the conclusion that it is necessary to return some kind of islands to Japan, it will be necessary to do this without any hesitation and without attempts to receive something for this. We must do this for our own selves, and not for the Japanese.

And so, on the substance. There were four territorial demarcations between Japan and Russia. They were all sealed by corresponding international legal acts, except for the last one. The first two demarcations were peaceful, and the last two were the result of military actions.

In the first (1855), four controversial islands went to Japan. In the second (1875), all of the Kurils were transferred to Japan in exchange for Sakhalin. The third repartition was after the Russo-Japanese War. Japan received South Sakhalin as well. The fourth was after World War II. We restored not only the southern part of Sakhalin, but, as a reward for participating in the war against Japan, the Kuril Islands. The grounds for this was the Yalta agreement in February 1945 between Stalin and Roosevelt. Stalin was able to convince Roosevelt that without this Soviet public opinion would not understand the reason for the war against Japan. The Americans agreed to this entirely out of consideration of the fact that in doing so they would save the lives of their soldiers.

No one at Yalta thought of defining the concept of the "Kuril Islands." They include islands that at no time belonged to Russia. Either it was not opportune—the war was still going on, or it was a crafty trap that the Americans specially set up to create a problem in our relations with Japan, but mainly to justify their own intention not to return their Pacific Ocean possessions to Japan, including Okinawa.

Under the San Francisco peace treaty of 1951, Japan relinquished the Kuril Islands, but the treaty also lacked a precise definition of their boundaries. And, finally, in 1956 in a joint declaration, we committed ourselves to returning Habomai and Shikotan after the signing of a peace treaty.

Those are the facts. What follows from this? As a minimum, the fact that the official positions of both parties until recently could hardly be called reasonable. The Soviet side claimed that no territorial issue existed, and it refused to recognize the Declaration of 1956. But Japan came out for an unconditional and simultaneous return of all four islands. Although it was apparent that the legal status of the four islands was different. The islands of Shikotan and Habomai from a whole number of aspects, including legal, are most likely not the Kurils. And the Soviet Union promised to return them, and this promise is an international legal obligation. As for the islands of Iturup and Kunashir, it is difficult to argue their belonging geographically to the Kuril Islands. Thus, the Japanese side still has to prove that its giving up the Kurils does not apply to these two islands.

How is this tight knot, tied by all of previous history, from which, as they say, "words cannot be erased," to be untied? It is necessary, apparently, to move toward this objective in stages, untying one little knot after another. It is difficult to guess what the Soviet leader will go for now—you see, a great responsibility rests on his shoulders for a correct decision. Moreover, a kind of unhealthy situation has been created around the problem recently. Some of our politicians, who are not well-oriented on the complex territorial problem, are using it in a political fight. Moreover, while striving for their own group or bloc objectives, they are threatening national interests.

International right and law is the only key to settling the problem in this complicated situation.

If one proceeds from this criterion, then the following strategic policy is obvious, which it will hardly be possible for either the "right" or the "left" to find fault with. First, recognition of the territorial problem, although it is better to formulate it as a problem of postwar territorial demarcation, inasmuch as the border cannot be considered established if it is not validated by a legal international document. Second, recognition and return to the joint declaration of 1956 as a legal international document that outlined the path and principles for moving toward a peace treaty. And, finally, the conduct of negotiations on all remaining unresolved problems, including the Japanese claims to Kunashir and Iturup. There is not the slightest concession to the Japanese side in such a position. This is a concession to common sense from the position of a law-governed state.

Media Officials Comment on Japanese Visit

LD1504024591 Moscow Central Television Second Program Network in Russian 1850 GMT 14 Apr 91

[Interview with political observers Vladimir Tsvetov, of the All-Russian State Television and Radio Company, and Vsevolod Ovchinnikov, of PRAVDA, place and date not given; all questions appear as screen captions; from the "Namedni" segment of the "Authors' Television" program anchored by studio correspondent Leonid Parfenov—recorded]

[Text] [Parfenov] Some opinions in the USSR on the territorial problem: Yuriy Afanasyev, a convinced advocate of handing over the islands to Japan asserts that the negative attitude to this seen in Soviet public opinion is only explained—I quote—by astonishing ignorance about the history of the issue. Boris Yeltsin, speaking in Kaliningrad: We shall not give up the Kurils. Marshal Akhromeyev, in an interview to the KYODO TSUSHIN agency, talking about the Soviet-Japanese declaration of 1956: It is not sound for a state such as the USSR to repudiate the position it previously held. Mikhail Gorbachev: We have no spare land.

On the eve of the USSR president's visit to Japan, two political observers who have long been writing about Japan, and in great detail, are interviewed on the "Namedni" program on their forecasts about the territorial problem: Vladimr Tsvetov, of the All-Russian State Television and Radio Broadcasting Company, and Vsevolod Ovchinnikov, of PRAVDA.

["Namedni"] What sort of compromise is possible?

[Tsvetov] I think that if Mikhail Sergeyevich came to an agreement with the Japanese for the Japanese to take, within some visible period of time, these four contested islands, together with their population, then there would be no problems here in the Soviet Union or in Japan. I think only Muscovites would have a problem exchanging their living accommodations for accommodations on Shikotan.

[Ovchinnikov] The misfortune is that today is a very unsuitable time for us to make concessions. Domestic political considerations make it virtually impossible for the president, because he will come in for criticism from both left and right.

["Namedni"] What, in your opinion, will the Japanese position be?

[Tsvetov] The Japanese will, naturally, insist on these four islands, although in principle they have no great need for them. They need them to be returned as a confirmation of their rights, so to speak, to satisfy their claims.

[Ovchinnikov] The main thing I keep on saying to the Japanese is this: If you raise the issue on the principle of all or nothing, the reply will most likely be nothing. The way I see it, that is, a compromise is possible on the basis

of each side moving toward the other. But, capitulation on the basis of one-sided concessions is impossible.

["Namedni"] What do you regard as the most preferable result of the negotiations?

[Tsvetov] There is some sense, I think, in saying what outcome of the present situation is possible. It seems to me that the furthest Mikhail Sergeyevich Gorbachev can go is to admit the existence of a territorial problem in Soviet-Japanese relations; and, second, to return to the joint Soviet-Japanese declaration of 1956.

[Ovchinnikov] The very fact that our head of state is visiting Japan for the first time since Tsar Nikolay went to Japan, just 100 years ago, already counts as a very big result, I think. For we are indeed in debt to the Japanese. It is certainly unfitting that a close neighbor, a major world power—four Japanese prime ministers have visited our country since the war—yet no one more senior than Mikoyan, no one higher than a deputy chairman of the Council of Ministers, has ever been there.

["Namedni"] What if the USSR's position remains as before, namely, that there are no territorial problems, we owe Japan nothing...and so on and so forth?

[Tsvetov] Well, it is in a certain sense correct that we owe Japan nothing.

[Ovchinnikov] In that case, we simply cannot talk of any positive results of the visit. In that case, Soviet-Japanese relations will be thrown back to that period when we described Japan as nothing more than the unsinkable aircraft carrier of the United States, and the Japanese regarded the Soviet Union as their least favorite country, after Korea.

Military Observer Comments on Gorbachev Trip

LD1404114791 Moscow World Service in English 0000 GMT 14 Apr 91

[Excerpts] As the Soviet President Mikhail Gorbachev's visit to Japan draws near, many have been asking what the people of the two countries and the world community in general should expect of it. It is unnatural for two countries not to have a peace treaty 45 years after the end of World War II. The answer greatly depends on the positions taken by the two sides on the dispute over four South Kuril Islands. [passage omitted]

Radio Moscow's military observer, Aleksandr Yakovlev, now looks into the attitude of the Soviet military to that issue:

I hope that I will express the opinion of those Soviet military who are related with that issue by virtue of their duty. In the first place, the personnel and commanders of the Pacific Fleet, and the Far Eastern Military District. I should say that that attitude is rather balanced and unemotional. The Pacific Fleet commander, Admiral Gennnadiy Khvatov, has told me he is generally positive about certain trends in inter-state relations in Asia and the Pacific. At the same time Admiral Khvatov said that unlike Europe, that region of the world has still lacked a mechanism to curb the arms race and lessen military confrontation. Indeed I believe that one cannot but take into account the fact that the United States' second biggest military force after the European one is deployed in Asia, and that taken together with the Japanese potential it exceeds by far the strength of the Soviet forces in the Far East. [passage omitted]

What does Radio Moscow's military observer, Aleksandr Yakovlev, think of the dispute of the South Kuril Islands, as a human being and as a professional? [passage omitted]

[Yakovlev said:] The commander of the Far Eastern Military District, Colonel-General Novozhilov, whom I interviewed aboard an airplane, said this:

Giving away the Kuril Islands would lock our fleet away from the Pacific. Clearly it will be denied passage through the Kuril Straits and (?Samgar Straits). If we give the Kuril Islands together with the straits, we would be locked away.

To what General Novozhilov said, I must add that unlike the Soviet Union, which does not have permanently deployed forces near the United States, the Americans keep a powerful southern fleet off the Soviet Union's Far Eastern shores. After the conclusion of a security treaty between the United States and Japan in 1960, there appeared in the region military bases and other facilities: a total of 120.

What would the unconditional restoration of Japan's sovereignty over the South Kuril Islands lead to? Apparently the balance of forces would be upset still further, and the threat to the Soviet Union would grow.

How does the Soviet military see a way out of the situation? Radio Moscow's military observer, Aleksandr Yakovlev:

The answer lies on the surface. The military must establish direct contacts in order to take confidence-building measures and promote mutual understanding.

General Novozhilov says the necessary arrangements are being made for a meeting in Japan of representatives from the Far Eastern Military District, a Japanese Self-Defense Force, and the United States' Pacific Command, in order to look into what can be done to increase mutual trust and understand each other better. We should not keep each other at gunpoint, he said. We must have talks in order to clear up all details. This would only do good to both sides. A dialogue would lift many problems.

One must say that some of the encouraging possibilities General Novozhilov talked of have already taken shape or materialized. There have been contacts between the Pacific Fleets of the Soviet Union and the United States. Last year and in the previous year there were exchanges of visits by ships and meetings of senior commanders

and men. I believe that the Soviet president's visit to Japan, and his talks with the leaders of that country, would expand understanding between the military of the Asian and Pacific countries.

Loans for Kurils Trade with Japan Unlikely

91UF0645A Moscow SOVETSKAYA ROSSIYA in Russian 12 Apr 91 First Edition p 5

[Article by I. Sergeyev: "Let Us Have No Delusions; Is the Issue of the 'Northern Territories' the Only Obstacle to the Normalization of Soviet-Japanese Relations"]

[Text] The forthcoming visit to Japan by USSR President M.S. Gorbachev has caused a lively discussion concerning the future of four islands of the South Kuril chain in our press and in the foreign, primarily Japanese, press. As the Japanese maintain, the islands were occupied by the Soviet Union toward the end of World War II. Various variants and conditions are being discussed on which Moscow and Tokyo could come to terms on this issue, without resolving which comprehensive relations between the two countries supposedly cannot develop successfully. In particular, a thesis is being intensively promoted in the Japanese press, and at the inspiration of certain figures in our country as well, according to which Tokyo will provide the USSR with loans going into billions in return for the islands, will become vigorously involved in the development of the natural resources of Siberia and the Far East, and will flood the Soviet consumer market with goods.

Without addressing the moral and ethical aspect of the matter (selling land for which the blood of our soldiers has been shed would appear quite unseemly in and of itself), let us look at whether it is indeed only the failure to settle the issue of the "Northern Territories" that hinders the development of relations between the two neighboring countries, particularly commercial and economic relations. Will it not turn out that even if the Soviet side makes concessions and the issue of the Kuril Islands is resolved in favor of Japan, Japanese businessmen will still not be sufficiently interested in investing their capital in the Soviet economy?

Unfortunately, we must state that at the current stage the development of commercial and economic relations with the Soviet Union is not among the priority tasks of the Japanese business community. Investing capital in the United States and the countries of Europe and Southeast Asia remains considerably safer and more attractive for this community. The Japanese are rapidly developing the boundless market of China whose leadership, having embarked on economic reforms, maintains control over the country's political situation.

At present, the Japanese business community is simply apprehensive about investing capital in our economy. First of all, it is held back by deteriorating socio-political instability in the USSR, the absence of a clear-cut division of powers between the Union and the republics, the "war of laws" between them which brings about economic chaos, and consistent delays in contract payments by our foreign-trade organizations and companies. In addition, deficiencies in the development of investment legislation, unclear prospects for switching to the convertible ruble, and a lack of necessary economic information about the Soviet Union are negative factors as well. The Japanese do not take a very favorable view of the skills of our employees, which worsens prospects for setting up enterprises utilizing state-of-the-art technologies in the USSR.

Therefore, we have perhaps very little to offer Japan as an economic partner—specifically, an opportunity to locate in our country types of production which pollute the environment and whose operation in developed countries is forbidden, as well as to store harmful wastes in our country. At best, the Japanese will deliver goods which do not sell in their country to our consumer market, receiving our raw material resources in return.

What about the talk of the readiness of the Japanese to provide tremendous loans of funds to us in exchange for the Kuril Islands? It is precisely the point that such assertions amount to nothing but talk. Indeed, a reference and recommendation study was prepared for the circles of the ruling Liberal Democratic Party which indicated that Japan could give the Soviet Union "aid" amounting to between $26 and $28 billion after the territorial issues are resolved. This number was derived from a poll of the heads of leading Japanese companies taken by the authors of the document who noted that they could take part in implementing particular projects in the USSR "on favorable conditions," for which private and government loans amounting to approximately between $26 and $28 billion would be required. This number was not additionally reviewed by any experts. Moreover, the above "plan" was not officially considered anywhere or confirmed by the Government of Japan.

A statement made on 26 March by T. Watanabe, a representative of the Japanese Foreign Ministry, put an end to unsubstantiated illusions in this regard. It was noted in the statement that the Government of Japan does not intend to provide extensive economic aid to the Soviet Union in return for its recognizing Japanese sovereignty over the four islands of the South Kuril chain. T. Watanabe explained that "we are very dissatisfied" with fantasies in the Japanese press regarding "tremendous sums of money" which the USSR will supposedly receive. He also communicated that the Japanese Foreign Ministry "has never intended to pay large sums of money to the Soviet Union."

Therefore, an opportunity for us to solve some of our pressing problems by ceding the Kuril Islands to the Japanese is very much in doubt. We should begin to give our all to work, bring political and economic confusion to an end, and put things in elementary order in our country, potentially the richest one.

Japan's Kaifu Addresses Soviet Readers

PM1104122591 Moscow IZVESTIYA in Russian 10 Apr 91 Union Edition p 1

[Address to Soviet readers from Japanese Prime Minister T. Kaifu: "New History of Old Acquaintances; Address to Soviet Readers from Japanese Prime Minister Toshiki Kaifu"]

[Text] USSR President M. Gorbachev's forthcoming visit to Japan is the first visit to our country by a Soviet head of state. On the eve of this important and crucial event in the history of our countries' relations, I consider it a great honor to have this opportunity to greet you, the citizens of the Soviet Union, through IZVESTIYA.

Japan and the Soviet Union are close neighbors, we are linked by a long-standing history in which economic and cultural ties generated by our deep interest in each other have been interwoven. The forthcoming visit opens up before us the prospect of switching to a new stage in Japanese-Soviet relations and I pin great hopes on the belief that the potential for the development of mutual contacts in all fields will be capable of implementation.

Politicians in our day have great responsibility. But the role of the mass media is even more responsible. The tonality of bilateral dialogue, the objectivity of assessments on whose basis the sides' approaches are developed and ideas about the partner and his policy are formed depend on them.

People in Japan right now are displaying enormous interest in the processes taking place in the USSR. In turn, as we know, the Soviet Union is also seriously interested in Japan. I believe that this mutual understanding and interest contain an important prerequisite for the further development of relations between the two countries.

I wholeheartedly wish that a new page in our countries' relations may be opened as a result of USSR President M. Gorbachev's visit and successful summit talks.

IVESTIYA Series Examines Ties With Japan

Part One

91UF0617A Moscow IZVESTIYA in Russian 30 Mar 91 Union Edition p 6

[Part one of seven-part article by IZVESTIYA correspondent S. Agafonov, published under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"—first two paragraphs are IZVESTIYA introduction]

[Text] Today we are presenting the reader with a new rubric. And we open it with a series of articles by IZVESTIYA's Tokyo correspondent. The author himself called it a political analytic forecast, emphasizing a genre consisting of his own thoughts on the future development of Soviet-Japanese relations. Apparently that is how these notes should be taken—as hypothesis and prediction.

It is possible that specialists and lay readers alike will find not only the logical structures but also the premises upon which they are based to be debatable. It is all the more possible that the genuine course of political processes will deviate from what has been predicted or not concur with it at all. A forecast is a forecast. We only note that it is a question of the observations and conclusions of a journalist who, in the line of duty, daily follows the politics, public moods, and developmental tendencies of the country in which he works. And as he reflects on these things, he invites the reader to reflect as well.

I.

It is probably no longer a secret to anyone that the official visit to Japan by a leader of our state, the first in history, begins 16 April. This trip was announced unusually early—almost two years before it was to take place. But although there have been many protocol arrangements and negotiations between offices of foreign affairs unseen by the world concerning this trip, one riddle remains to this day: With what "starting points" does M.S. Gorbachev travel to Japan? What will he meet there, and how will things go afterward?

A truly pragmatic approach is unthinkable without a considerable dose of so-called "healthy political cynicism," which in turn only "works" when there are intelligible answers to several fundamental questions: What does one side want from the other? What are the "trump cards" in the bilateral dialogue? What is the price of the compromises that would crown any agreement? What is the background of the talks? Everything else that can and frequently should accompany these or other foreign policy steps consists of "lyricism."

Given this purely theoretical prelude to an analysis of the upcoming Soviet-Japanese talks, the picture looks something like this: For the Japanese, in the first place, the approaching opportunity to bring the longstanding territorial problem to a summit level and the attempt to resolve it in their fashion are important; in the second place, they would like to achieve some stability in relations with their northern neighbor, bringing them into correspondence with the general climate of the epoch of the "new detente." For the Soviet Union, as far as may be determined, the question consists of gaining access to Japanese finances and technology as well as of ensuring further political penetration into the Asia-Pacific Ocean region, access to which is significantly complicated without normal relations with the Japanese.

At first glance the Japanese "starting point" is more solid than ours—no matter what the outcome, they are able to fulfill at least a part of their own goals and achieve progress in the stabilization of contacts with Moscow, proposing to the Soviet side, for example, the establishment of regular summit meetings, the broadening of

humanitarian ties and exchanges, etc., etc. The Soviet Union, on the other hand, cannot realize a single one of its objectives inasmuch as without territorial "souvenirs" there will be no movement in the Japanese position. The Japanese, incidentally, have many "trump cards" in their hand, economic ones in particular, and we have only one—that same territory. For this very reason any compromise will be more burdensome to us inasmuch as it inevitably touches upon national prestige. And the general background, because of the situation in our Fatherland, gives Tokyo somewhat more freedom of movement than us. We are stuck whichever way we turn, and from that point of view one can understand the thinking that is fairly popular today, according to which the Soviet Union should accept all this as a given and, sweeping political obstacles—meaning territorial disputes—out of the way, take the initiative according to the principle "give a little and receive much."

In regard to transparent hints from the Japanese side to the effect that in such an event our country, suffering from poverty and trouble, will become rich, such a formula in fact seems tempting, and various versions of what to give away, when, and what to demand in return are calculated repeatedly, it must be confessed, by public opinion and probably elsewhere as well. There is a temptation to yield easily, but is that not a bad deal in reality? It would seem that against the background of our all-embracing difficulties the question is a naive one, if not altogether absurd. But everyone has a right to doubts. And if we make use of this right, then it turns out that it is still too early to dress in sackcloth and ashes; that even under conditions of an "all-Union breakdown" Moscow still has a mass of advantages in a dialogue with the Japanese, and not to use them would be unforgivable. A discussion of them is necessary precisely now when a last "calculation" is being conducted on the threshold of the upcoming visit, when the "train has not yet left" but is already "boarding." And the discussion must start with us.

Do we recall how that innovation, then called perestroyka, began here in our home? It began with an economic abyss into which the country was sinking over the course of 70 years, until the morass of disorder came up to our neck, as they say. Inspired by power, an energetic young leadership revealed with grief and despair that the "family estate" had been utterly ruined and that there was practically nothing to administer. This realization did not come immediately but only several years after the spring of 1985 that were spent on fruitless attempts at cosmetic reforms based on the Scientific and Technical Revolution and economic experiments within the framework of individual sectors and oblasts. References at rallies in collectives in support of perestroyka to the obduracy of the apparat, which is supposedly slowing things down, may be well grounded, as are accusations of "sabotage" addressed at the democrats. In practice, however, everything is simultaneously simpler and more complicated—such a cumbersome object as the USSR is extremely difficult to move in any direction other than that dictated by inertia. It is neither the apparat nor the democrats that are to blame in this case but our scale and human psychology, adjusted by years of repression and suppression of those who think differently and of initiative.

And now we are bringing all of this to the sphere of foreign policy. The withdrawal of troops from Afghanistan, the forced march to curtail the arms race, the elimination of medium-range missiles, the withdrawal of forces from the countries of Eastern Europe—by these and other steps Moscow, in essence, changed the situation in the world. I dare propose that in the sphere of foreign affairs Moscow will still more than once elicit a cry of thanks from the world in response to its latest major initiatives—after all, it is simply impossible to ignore the latest absurd problems which are causing the country direct losses. In principle it is not difficult to predict where this will take place, in which region, and along what directions—it will be wherever Soviet obligations exceed the limits of the feasible and reasonable in the global game. What about Japan? The question is logical in this context, but the answer to it is less optimistic—from the point of view of historical motives and the present foreign policy situation, there is no urgency in a breakthrough in the direction of Japan for Moscow. Moreover, forcing the development of relations with Tokyo, which is only possible after surmounting the "territorial barrier," would be tactically harmful at this stage inasmuch as the traditional coolness in relations with Japan is profitable to the Soviet Union now far more than a sudden thaw within the framework of a "new detente." It is not worth hurrying with concessions into a dialogue with Tokyo, particularly because the Japanese are prepared to see them as a merit only in the event that they take the form of "territorial gifts." With all the difficulties on the domestic front and the complicated situation in the world, at the present moment the Soviet Union, in the conversation with Japan, can and should feel more comfortable than its Far Eastern partner. Why? I will try to state my reasons in the following part of these notes.

Part Two

91UF0618A Moscow IZVESTIYA in Russian 1 Apr 91 Union Edition p 5

[Part two of seven-part article by IZVESTIYA correspondent S. Agafonov, published under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] The pragmatic and balanced approach characteristic of the Japanese in practically all spheres of social and economic life has always evoked in me profound admiration, like everything which stands on a firm and proportional foundation. There is just one thing I have been unable to understand either previously or now — whence in the Japanese position in respect to the Soviet Union such an inordinate overestimation of its actual possibilities? If I understand it correctly, this amounts to

the "everything comes to him who waits" slogan, to which an artless forecast outline of the development of future events, essentially ordinary, but logical in some respects, has been shaped. It appears as follows.

Becoming increasingly mired in economic crisis made worse by outbursts of interethnic contradiction, the domestic wrangling of conservatives and liberals, an unstable leadership, and so on and so forth, the Soviet Union has already found itself in a situation in which circumstances are forcing it to turn to the West for assistance and support, seek overseas resources to stabilize the situation, and to maintain its leaders' popularity by an endless succession of visits, in the course of which emphasis is put primarily on sympathy on the part of the major powers with the restructuring processes under way in the USSR. Considering that the situation in the economy is deteriorating solidly from month to month and that public discontent is growing in proportion to this, an escalation of the "suppliance" and an intensification of the search for new sources to finance an ailing economy, saturation of the impoverished consumer market and the retooling of practically all of Soviet industry are inevitable. Europe is rendering Moscow assistance, but its possibilities are limited, considering the prospects of the creation of the all-European market in 1992 and the scale of the questions connected with the eastern part of the continent, which has awakened from the "socialist sleep," and the United States is also demonstrating a readiness to become involved in Soviet problems, but the scale of credit and assistance has a number of serious limits, the most important of which are the strategic consequences. Japan, consequently, remains the sole unutilized reserve, whose financial and technological resources are close to unlimited. The development of events will inevitably lead the Union into making a "bow" in Tokyo's direction. And the latter has only to wait for the fruit to finally ripen, enticing Moscow from time to time with colorful descriptions of the "cornucopia" which will shower its treasures on a country, worn out by waiting in line, occupying one-sixth of the globe.

I repeat once again that there is a logic to this scenario, but even granted this, the expectations of a "bow" are, for all that, naive. To conclude thus, it would make sense to calmly look into the propositions with which the Japanese operate.

So let us begin with the proposition concerning Soviet difficulties. Strictly speaking, our long-suffering fatherland has in all the ages of its existence in various hypostases not yet known a "golden age," and it will not, evidently, be soon in coming, although there is a desperate desire, as we say here, for "changes within our lifetime." In other words, there have always been difficulties. And although it is correct, of course, that the economy is withering away before our eyes, this is not a performance in three acts with an inevitable finale and the lowering of the curtain—it is a process which on our expanses and within the framework of the extraordinarily tenacious administrative command system could go on for years. Even by historical standards we could be a very long time rotting, and there is every chance of the Japanese expectations of "fruit" dragging on, therefore. In addition, one fundamental aspect—the food aspect, which is the core of all public discontent in the USSR—is important here. I shall make so bold as to maintain that in our country the question of how to feed the people is only secondarily connected with imported technology and currency receipts. This problem is at the present stage political, for the most part, and consists of the struggle of "irreconcilable true believers" upholding the ideological purity of bankrupt economic forms and methods and pragmatists realizing that the time allowed for an ideological game is already passed and that the citizens need, when their belts are already stretched tight, not a slogan but at least sufficiency, if not abundance, on store counters and in the refrigerators.

I allow, of course, of a period when necessity compels imports of food in appreciable amounts, which, incidentally, is already happening even now, being possible, but, even giving fantasy full rein, I cannot imagine that we will feed ourselves thanks to credit indefinitely. This is beyond the bounds even of Soviet specifics. And from this viewpoint the food problem will sooner or later force the Soviet leadership to switch from debates with opponents to practical matters, and this transition will not depend either on Japanese or any overseas financing, what is more.

Now another point—the technological backwardness of our industry, which is being noted with pleasure by Japanese specialists constructing on this basis the proposition concerning the particular value of Japanese experience and achievements for the USSR. An incontestable affirmation in principle, but with one appreciable "but," which is that the vast majority of our enterprises and works, except, perhaps, for certain military sectors, is not ready to accept and "digest" Japanese technological assistance, even were it suddenly to come pouring into the Union. The wrong personnel, the wrong standards, the wrong raw material, the wrong production engineering culture. It is not, to be frank, pleasant writing about this, but it can't be helped—the gap is too great for us to be able to close our eyes to it.

There is, naturally, interest in the most modern technology of Japanese manufacture, and it is great. A mass of Soviet delegations is traveling to Japan, and those who have been sent there are not sleeping nights under the influence of what they have seen. But, subsequently? Subsequently, as they say in Russia, prosaics— specialists understand full well that overseas marvels cannot be accommodated within the walls of ancient shops, that something would necessarily be broken on account of sloppiness and inability, that allied subcontractors would let people down, that transport would make a mess of things, and so on and so forth—a long succession of problems which translate badly into another language and which may be understood only by our compatriot.

In this respect I agree fully with the Japanese proposition that "the fruit must ripen." What we really need today, Japan no longer has. What will be required tomorrow will by that time have disappeared. However regrettable, our countries are in different technological phases so that from the viewpoint of practical benefit Japanese possibilities and resources are less efficient for us than, say, a technology park of South Korea or Taiwan. As a born patriot, I am sure that, albeit not quickly, we will, nonetheless, overcome this breakdown and become interesting and useful to those same Japanese, but none of this will be now, today or in the next five- year plan, should there be one.

The next proposition in the Japanese scenario—finances and the situation in the credit and currency sphere. Once again everything is at first sight correct—there is no foreign currency in the Union, debt is growing and there is galloping inflation, and this means, the Japanese calculate, that Moscow will sooner rather than later fall into the strong Japanese embrace, presenting on a "platter" ill-starred territory in exchange. Logical? Of course, but only in pure form, without regard for our socialist singularities. And these are that without a fundamental reform of the entire organism no foreign currency lode will help us. For one simple reason—we cannot import an entire economy, and an individual supermodern plant or sector even erected on credit from abroad could not function successfully in the sea of our shortages and would inevitably run into difficulties not envisaged by any feasibility study. In addition, even now, when things are bad enough, our industrialists and financial experts are incapable of hauling in all the credit that has been accumulated in recent years and investing it efficiently. And the so-called "credit graves" scattered over the expanses of the fatherland in the form of purchased, but already decayed foreign equipment! They testify as clearly as could be that the credit shortage will "squeeze" whoever you like, only not a "new historical community" accustomed to living under the conditions of a subsistence economy.

I understand the Japanese, whose imagination is tickled by the numerous predictions of the swift collapse of a superpower, but in reality things are different, so the Japanese scenario is built more on journalism than true pragmatism. And it lacks, what is more, such an important aspect as the prospects of the development of the situation for Japan itself. And the times nowadays are tumultuous, and everything is changing in this world, and, moreover, as the ancients observed, there is nothing eternal beneath the moon....

Part Three

91UF0619A Moscow IZVESTIYA in Russian 2 Apr 91 Union Edition p 5

[Part three of seven-part article by IZVESTIYA correspondent S. Agafonov, published under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] All that the reader has read in the two previous chapters are by no means a concession to the currently fashionable trend of loudly criticizing the "cancer" of socialism but rather merely a somewhat verbose prologue to the recognition of one fact which is indisputable in our day: From diplomatic formulas and propagandistic statements we are well aware that the thesis about the "mutual complementariness" of the Soviet and Japanese economies is another bluff to which both sides resort in their dialogue when it comes time to demonstrate their own constructiveness and make reference to the "bright prospects" of reciprocal contacts.

The USSR accounts for 1.3 percent of Japanese foreign trade turnover—and in order not to mention Japan's lack of raw material and dependency on foreign deliveries of energy, all discussions break down when it comes to this indicator. The theory that our boundless natural resources beckon to the Japanese businessmen who are getting by with a bare minimum, who are, moreover, captivated by the short delivery distance, the gigantic undeveloped market, and other advantages of our virgin territory is simply not accepted by serious people. The Soviet and Japanese "ships" are travelling on parallel courses not only with respect to the question of the "Northern Territories" but in economics as well.

But while establishing this sad detail it is worth noting one essential circumstance: If the USSR lays the road, even if it has twists and turns, but does it independently and autonomously, relying not only on its mineral resources but also on its heavy club of military power and political influence, of which nobody has any doubt, then Japan will join the many-voiced chorus of the "free world" which is bound by a bundle of commitments within the framework of the "Western Club," being on the "short leash" of the American-Japanese "security agreement," which forces Japan to accomplish miracles of maneuverability in overcoming various kinds of snags and misunderstandings with its close partners, who have neither warm feelings toward nor real confidence in Japan.

Japan has risen up out of the postwar ruins and increased its rate of development under the conditions of what politicians and historians call the Cold War. During this time the world looked like a primitive black and white "picture" which divided its inhabitants into "clean" and "unclean," depending on which of the warring blocs one or another sovereign subject belonged to. Its defeat in the war and the occupation predetermined Japan's position in this structure with all the ensuing consequences—its orientation toward the United States in its foreign policy, forced development of ties with Western Europe, and all-around strengthening of "capitalist unity" in the face of the "communist threat."

The political atrophy of waiting, raised almost to the status of a principle, and the lack of initiative, for which the Japanese are criticizing their own diplomats and politicians today, at that time played an undoubtedly

positive role, since by refraining from independent political games in favor of free economic development, unburdened by ambitions for power, the country gained the opportunity, without dispersing forces and funds, to carefully think out and realize the concept of economic "flight" which took Japan to leading positions in the world in terms of many parameters.

But the inevitable happened: The seemingly unshakable foundations of the world order were "eroded" before their eyes, and the thaw came, which allowed everyone to breathe more easily everywhere, except...in Japan. Such a reaction to changes was probably predictable—Japan owed too much to the Cold War, whose structures influenced the formation of the current domestic political apportionment in Tokyo, the corporate strategy, and the general political course as a whole. They lived safe and happy in their previous "home," and while the West, led by the United States, dealt out exhausting and costly games of "solitaire," pouring out billions of dollars and the cream of their intellectual crop on the development, creation, progress, and modernization of an untold number of arms systems, Japan engaged in purely peacetime construction, mastering spheres of new technology, arranging mass production, and increasing the colossal potential of the Japanese export conveyor, which is now causing the entire Western world to moan. While giving the talent, hard work, and capabilities of the Japanese people their due, one must not forget that outside the hothouse conditions created by the Cold War the economic marathon run by Japan would have been neither so long nor so successful.

Of course, I could be mistaken, but it seems to me that the Soviet perestroyka, with which the decline of the Cold War began, came at an especially bad time for Tokyo, since it canceled its imminent "heyday" of undisputed leadership as designated by Japanese political scientists in the theory of "diarchy" they generated in the eighties. It was reduced to a situation where the United States "broke" under the burden of being leader of the "free world" and America's "single command" was replaced by a "transition period" in which the United States was left with the military and political levers while the economic and financial ones were placed under the control of Japan, along with the title of "locomotive" of Western development. The perspective which logic produces from such a plot looks simple—Japan wears the crown, the United States is assigned police authority, and the other powers of the West function as "extras" in the mass scenes. Although this is a rough sketch, of course, this is precisely the way things were, and suddenly— Gorbachev, perestroyka, the Soviet-American dialogue, the landslide of the "new detente," the culmination of which was the meeting in Malta, which left Japan in a condition of semishock.

There is no exaggeration here—the leitmotif of a multitude of publications and statements in the Japanese press and on television were warnings that an "anti-Japanese conspiracy" was taking place in Malta, that as a result of the warming of East-West relations Japan would end up in isolation, that times of extreme economic confrontation lay ahead, and so forth and so on. And I personally am not inclined to think that this public alarm was in any way contrived or for show. For it is no secret that as the overall situation warmed up, the Japanese-American and Japanese-West German economic dialogue proceeded in more strident tones. And from the many public statements of eminent U.S. businessmen and political figures it was clear that now that the hands of the Americans are no longer tied by military confrontation with the Union, the struggle for the profaned "economic justice" would be the main slogan of the United States in its contacts with the Japanese.

The diversity and strength of the ties that bind Japan and the United States can but need not mesmerize us, since the unshakable nature of their relations relied on the structure and laws of world development during the Cold War period. Today an inspection of all the baggage accumulated during the past years is inevitable, and I have great doubts that this stock-taking will lead to a retardation of the growth of anti-Japanese sentiments in the United States, which are growing very rapidly. Several generations of Americans have grown up with the stereotype of the "image of the enemy," this is one of the motive forces of the nation's social and political development, and if history eliminates one "bad person," the vacuum will inevitably be filled by another. Let the Japanese forgive me, but I see no candidate for this role other than Japan.

The Japanese situation with Western Europe looks somewhat different, but a "pessimistic outlook" prevails here too. It is not just that an integrated Europe threatens to close off all channels to the successful Japanese partner, but also, mainly, that there is a kind of inferiority complex which has built up over the years among the European powers. Forced to follow the American lead during these long decades of the Cold War and maintaining the appearance of independence with large military programs, the leading European countries, bound to NATO by commitments, have been the victims of the course of confrontation to the same extent that the United States has, but with the essential difference that their economic indicators turned downward considerably earlier and their irritation with the Japanese, who have stood on the sidelines and engaged exclusively in business, has been accumulating for considerably longer.

Part Four

91UF0620A Moscow IZVESTIYA in Russian
3 Apr 91 Union Edition p 6

[Part four of seven-part article by IZVESTIYA correspondent S. Agafonov, published under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] "A new detente" and a restructuring of international relations did not just come at an inopportune moment for Tokyo; they undercut Japan as it was

soaring, leaving the country without a foothold on the eve of a decisive dash toward the full-fledged attribute of "superpower," to which the Japanese were quite close. If the structure of confrontation and separation of the world into blocs had survived for another 10 to 15 years, this decisive stage would have been left behind and Tokyo would have had a solo part in any world arrangement.

Even a superficial analysis of the post-war development of Japan indicates that the country has moved forward by certain leaps, like a multi-stage rocket. Acceleration was ensured at all stages by means of a concentrated dash in a narrow economic sector; in the process colossal financial, intellectual, and production forces were "massed" to achieve success. This left many other economic sectors "exposed" to a certain degree in the name of winning a victory on the main front. Immediately after achieving the goal, the priority sector was used for a number of years as a locomotive for the economic development of the country in its entirety, not only generating profits but also giving a respite to forces regrouping in preparation for another assault, this time in a different sphere. When "X Hour" came, they began to move toward new priorities.

The textile industry, shipbuilding, the automobile industry, electronics—these are just some of the steps Japan has climbed to its economic might. From the beginning of the 1980's, when they began to talk about the need for another structural shift in Japan, an opportunity arose to leave all competitors behind in a single burst, to assure a monopoly on the technologies which are vital to the future of humanity, and to become the technological "center of the world" and a financial Mecca. This stage was supposed to be achieved through a staunch and concentrated onslaught, but...

This "but" brings us back to the present day when everything appears to remain in its proper place, at least in Japan, but actually everything has changed radically. Japan has turned out to be unprepared for abrupt changes, not only in international politics but also in economics. An attack on new priority objectives which got under way in the mid-1980's and has picked up steam nicely is now doomed to an abrupt slowdown because the hothouse conditions, when all forces could be massed in a narrow sector, are no longer present. Engagements on many fronts at the same time lie ahead, which will unavoidably "scatter" the material and intellectual reserves prepared, ultimately frustrating the general plan.

As a number of leading specialists admit, only about 20 percent of the Japanese corporations and companies are indeed highly competitive in the world market; the rest are at an average level or below. Not only does the agrarian complex live off subsidies, but in reality so does the textile industry, metallurgy, shipbuilding, and transportation, the relative profitability of which is maintained largely due to the protectionist policy of the government. If talk of "opening markets," which Western partners seek, stopped being just that and became reality, the social harmony which exists in the country at present would be destroyed, and nothing would remain of a healthy economy but good memories.

Now let us address Soviet-Japanese relations again. The posture of favorite in these relations clearly does not become Japan, nor does the original affirmation of eternal superiority emphasizing the economic sector. Moscow's position is unenviable indeed; however, the "countdown" has also begun for Tokyo. Every year gained in this manner will inexorably soften the approach of Tokyo in proportion to complications in the affairs of Japan. We need to get rid of a complex of respect for Japanese achievements, and we should not by any means be in a hurry to demonstrate "new political thinking" to the detriment of our own national prestige. I am convinced that the value of a full-fledged relationship with Moscow for the Japanese will increase progressively for a number of reasons. A special place among them belongs to global factors, on which I would like to dwell in particular.

It has so happened historically and geographically that, with the exception of the period of self-imposed isolation, Japan has virtually never performed as a "soloist" on the international stage, developing its foreign policy within the canons of "a team sport" in which partners changed from time to time. The catastrophe of capitulation and American occupation did not change this paradigm. A political, economic, and partially psychological shift from anti- Americanism to Americanism occurred within an unprecedented, historically short period of time. Of course, it is not worthwhile to idealize the picture: Any kind of profound "love" in Japanese-American relations is out of the question. However, we cannot fail to note that, apart from the power of circumstances which drew Japan into the American orbit, the desire to rely on a partner and to obtain a jumping-off point was also at work.

As I see it, the United States miscalculated in its policy toward Japan by, having sternly taken the reins of political leadership in the alliance in its hands, failing to appreciate the Japanese temperament in economic issues, and, having relieved Tokyo of the burden of political responsibility, giving it freedom in the economy. After all, in Europe the American pattern was different: As European countries recovered after the devastation of the war, they shouldered the weight of the political burden which increased as time went on. In this sense, NATO is more democratic and stronger than the union between Japan and the United States, because it is held together by the bonds of equal political responsibility. In other words, Europe is a genuine political ally of the United States, whereas Japan, in the greater scheme of things, is only a strategic ally.

The drama of the present situation is found in precisely the fact that both Washington and Tokyo are coming to understand this at the same time. Objective reality is extremely harsh for Japan: For Americans, Tokyo is a

partner who has gone too far, who is "clipping coupons" through political parasitism and is "leeching off" the principle of free enterprise. The strategic factor is the weightiest one to be included on the asset side. However, it is precisely strategy that is being reconsidered at present as the costliest element of any global structure.

New fulcrums need to be urgently sought when a split in the "collective" is in the cards, when "a team" is falling apart. At first sight, this is not too serious a problem for the Japanese who have already managed to put down deep financial and technological "roots" in the Asian and Pacific Region. Given the currently fashionable passion for regionalism, this is it—an ideal sphere for the formation of a certain structure under Japanese leadership.

All of this is true. However, in addition to Japanese plans for cultivating the Asian Pacific region, major interests of other powers in this region also exist; the problem of an "historical allergy" to Japanese leadership remains potent; the significance of nationalist sentiments in the most dynamic countries of the Pacific Rim increases; finally, a good amount of political instability is present in the area. In other words, Asia is not a fulcrum which is capable of replacing erstwhile partners, and it is not what you would call a "quiet haven."

What else is there in reserve? China, of course: An accelerated rapprochement with China would restore the stable position of Tokyo. If Japan succeeded in playing "the Chinese card" it could become a turning point in the present and future of Japan, a Japanese "destiny" for several generations to come. This super-alliance would re-pattern the arrangement of the entire world. However, the rub is in the fact that it is hardly realistic in the foreseeable future. First of all, as paradoxical as it may seem at first sight, the commonality of historical roots and traditions is an obstacle. At present, this common "language" separates Japan and China because the strict behavioral hierarchy of Confucianism envisages a clear-cut distinction between the senior and the junior, the weak and the strong, the sovereign and the dependent. Under the circumstances, neither Chinese wisdom nor Japanese pragmatism may bring about an agreement on a certain compromise "in terms of roles." This is not about ambitions, but about the issue of saving face, which is more important in policy development than many other factors. Second, the events of recent history, the absence of sincerity in relations in the past exacerbated by acts of aggression, Japanese annexations, and other circumstances, continue to play a restraining role.

We may add to this the important circumstance that the accentuated equidistance of China from major world powers makes the position of this country in the world particularly advantageous; it might be expected that Beijing does not intend to give up such advantages. The optimal scenario which Japan can count on with regard to China is to maintain relations with this country which are as stable and multifaceted as possible as a guarantee of sorts against China being drawn into an orbit unfriendly to Japan.

Now let us ask this question: If the old supports begin to "erode," if neither the United States, nor Europe, nor China, nor Asia as a whole gives a guarantee of stable development, what possible alternatives remain? Only one answer emerges; the next installment of this article will be devoted to it.

Part Five

91UF0621A Moscow IZVESTIYA in Russian 4 Apr 91 Union Edition p 5

[Part five of seven-part article by IZVESTIYA correspondent S. Agafonov under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] Before moving on to any further analysis of alternatives it is necessary to at least mention one more significant aspect apart from politics and economics, namely security issues. For Japan the distinguishing feature of this problem is that at this time Tokyo cannot ensure the defense of its own interests and security with its own armed forces. The Japanese army is well armed and well trained but it is not the army of a world power, and Japanese military doctrine is the same. The strategy involved in the disposition of production capacities has been remarkably well thought out from the economic standpoint, but it is absolutely impotent from the military standpoint. The theoretical constructs according to which Japan could acquire its own nuclear weapons in short order and bring its armed forces up to the level of the standards of the "superpowers" look fine on paper, but no one will allow Tokyo to realize this potential because such a turnabout would have exceptionally adverse consequences for all those participating in the "global equation," and there is no doubt that there is complete consensus that this will not be allowed to happen.

We note this fact in order to return to the question of Japanese alternatives in the present international political and economic conditions. Strictly speaking, the choice for the Japanese here is not great, and is curtailed by a simple dilemma: Either remain at the previous coordinates, rigidly locked into the whims of the Americans, or try something new.

What can Japan expect in the former alternative? Lest we repeat ourselves, let us simply recall everything already said about Japanese-American affairs earlier and move on to the conclusion that in their relations with the United States the Japanese cannot avoid major sacrifices and concessions whose scale could seriously undermine Japanese economic well-being and its seemingly bright prospects. God forbid that I should think that in the immediate future there is much probability of a serious clash between the two countries, just as I do not think

that American interests would be served by an economically ruined Japan. There can be no question of that, but an economically weak Japan, a Japan that has returned to the state of being a "junior partner," is quite logical and desirable, and I make bold to suggest that public seances "to tame this obstinate one" are not too far off.

Now let us return to the second alternative—the possibility of new solutions for Tokyo.

What is the choice here? It is not very wide because it is limited by quite rigid mandatory parameters: The new, theoretical Japanese partner should possess major resources, a rich market, a solid geopolitical position, and independence in foreign policy. In addition, it should also be marked by a number of advantages that could not only compensate for the "losses of reorientation" but also promise real profit; otherwise it makes no sense even to talk about a change of course.

The choice here is really limited to two alternatives—China or the USSR. We have already considered the Chinese variant, so let us now talk about the Soviet variant, even though at first blush it also falls into the category of crazy. But only at first blush.

Let us imagine that Japan has decided to play the "Soviet card," or, to put it more simply, has set itself the goal of counting up the pros and cons of such a step. The negatives immediately include historical subjects, ideological prejudices, the difference between the systems, the gap in views on life, and the gulf between economic methods. The pluses include the boundless potential and rich resources, a developed military machine, a virgin market, geographical propinquity, and low economic level compared with the Japanese. It is worth taking special note of this last circumstance because in any dialogue it automatically excludes the component of absolute leadership—one power has the political and military might, the other has the economic muscle. They are complementary but are not based on relationships of subordination. Essentially it is an expression of the Japanese concept of "dual power," but with different components.

This concept was stillborn with the Americans because if it were realized Japan would take from the United States a piece of the economic pie and demand equality based on positions taken in the battle. In that kind of arrangement there could be no candor or complete trust and there would always be some feeling of loss of leadership and a constant hankering for revenge. With Moscow the "dual power" concept has already worked very well because each of the sides has its own "dowry," and they are motivated by pure pragmatism.

This distinction, incidentally, deserves some further consideration because the thesis itself assumes that the aims of the two partners will not become antagonistic for quite a long time. Antagonism arises when a real threat is created to the well-being and security of one of the partners in a deal, and in the case of the Moscow-Tokyo line a crack can be proposed only in the event that one of the sides acts openly to infringe on the positions of the other side. That is, either the Union will begin to stifle Japan economically, or Japan will try to wrest the military and political levers from the Union. This is possible theoretically, but even if we assume this, there is a long road of several decades during which Soviet economic or Japanese military and political might must be built up. Given the present rates of development in scientific and technical progress, even under conditions of purposeful and extensive foreign aid, it would be a complicated and protracted thing for the side that was "it" in a game of economic tag to catch up, let alone engage in a struggle for leadership. Setting up a war machine and making political capital is less laborious in comparison, but would inevitably encounter a number of major obstacles, including the main one—Japan's strategic vulnerability in this age of modern weapons, let alone future weapons.

In concluding our consideration of this aspect, we should not forget that contacts between powers will be made not in a "test tube," not in a closed two-dimensional space, but in the context of the development of the global international situation, with a mass of external factors involved that will promote not so much "solo performances" but rather close coordination of actions based on mutual "insurance."

Because of the inertia in thinking and thanks to the powerful economic links existing between Japan and the United States, it is difficult to suppose that any such reorientation is possible in the next three to five years. Nevertheless, Tokyo must consider the "Soviet version," and both foreign and domestics circumstances will prompt this insistently, and even though the thesis about the Japanese "missing the boat" from an economic standpoint in establishing a dialogue with Moscow is total nonsense, in the global political arrangement it is correct. However, there will be serious talk about this only when the most complicated stage is over—analysis of the obstacles that exist or may arise if the "Soviet card" is played.

And so, to the obstacles. The main and most obvious one for everyone is the territorial question, raised, thanks to the efforts of both sides, to the rank of high policy that is one of principle rather than actuality and that affects the prestige and national sentiments of both the Japanese and the Soviets. It rests on bilateral dialogue and, according to the official version, it is of more important than economic cooperation and sits on the road like a roadblock that can be neither avoided nor detoured around.

My point of departure is that this statement is erroneous because the present impasse from which the diplomats are agonizingly trying to find a solution remains an impasse only if we continue to consider Soviet-Japanese relations exclusively within a closed two-dimensional space, thinking that one side has a vital interest in the immediate rapid development of contacts with the other. If this is the case then nothing really can be done: It will

still be necessary to reach some compromise at the least possible cost in exhausting negotiations and political solutions.

If the reader will recall, however, we have already noted that in its relations with Japan today, for the USSR nothing is an urgent priority that would involve it moving irrevocably toward major sacrifices to demonstrate its flexibility and constructive attitude. True pragmatism requires something in return: In the present global arrangement Moscow's position is preferable, and, moreover, adequate initiatives have been demonstrated toward Japan by the Soviet side, and many of them have contained a compromise solution whereby the Japanese would suffer no loss and things could move from dead center. Our numerous steps in a style of good will are also beginning to play a counterproductive role by convincing our opponents that the Union can be "waited out" and concessions "wrung" from it, and be forced to soften its stance. And I fear that if during the course of the upcoming presidential visit yet another gesture is made to get Asian policy moving, this perception will only be strengthened.

Part Six

91UF0622A Moscow IZVESTIYA in Russian
5 Apr 91 Union Edition p 6

[Part six of seven-part article by IZVESTIYA correspondent S. Agafonov, published under the rubric "Analysis and Forecast": "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] And now we will imagine such an alternative. Tokyo, having wasted several years in a search for compromises on trade and economic issues with the United States and convinced that the Americans will not accept their claims to equality under the new international conditions, decides to make adjustments to their traditional course and play the "Soviet card." There is no longer any time to fool around—an immediate breakthrough is needed in order to retain equality. Does the question of territory still exist in such an arrangement? One must suppose that it will still exist, but the approach will be different—relations will begin to develop along a steep ascendant immediately after a symbolic step is made by the Soviet side testifying to its willingness to demonstrate mildness and understanding. So constructive initiatives are needed, and the best initiative is an acknowledgement at the official level of the existence of a territorial problem. Perhaps supplemented later by a return to the formula of the 1956 declaration. Perhaps formulated in some other manner.

From the point of view of the USSR, it would be necessary to borrow the Japanese version of a "fruit which must mature," inasmuch as with each succeeding year, if the development of events goes in accordance with my predictions, the place of the Soviet Union in the Japanese list of priorities will approach ever closer to the top.

Recalling that at the beginning of these notes I said that the Soviet Union was not ready to "digest" large volumes of Japanese investments and I considered the thesis of mutual supplementation in economics to be unfounded, I could be accused of contradicting myself when the subject turns to possible bright bilateral prospects. I must note, however, that there is no contradiction here—indeed, at the present stage of hoping for immediate returns from full-scale cooperation, this would be a type of economic "romanticism" given the condition of the half-collapse of the economic machine inside the Soviet Union. But one must have an exceptionally poor opinion of oneself to project a worsening situation into the indefinite future. Radical changes are unavoidable inasmuch as the current crisis is already approaching the level denoting "absolute bottom" in terms of scale.

I expect an objection to the effect that my optimism regarding the possible reorientation of Japan seems unfounded inasmuch as it is based on a perception of the immutability of the present changes in the world, further development of the "new detente," and avoidance of former confrontational structures. But what if it all falls apart? In that event what sense will there be for the Japanese to undertake risky operations in the Soviet direction? Indeed, none, but I take the position that no one can mar the international background in the near future—this would contradict the basic interests of any of the major powers who have the ability to "muddy" the "international waters."

If the territorial question and external factors do not obstruct the matter, then what else might hinder it? There remains only one aspect which has not been discussed—the inertia of thinking, psychology, and image.

What do the Japanese know about us? Our total image is made up for the most part of features painted in gloomy colors—a cold country where there are many soldiers and bears, where the people are malicious and the leaders are perfidious, and where they stifle freedom and issue ration cards for goods; finally, we are the country that "seized Japanese territory" and points a gun at Japanese cities. Against this background the Soviet positives are mere crumbs—the Bolshoi ballet, the homeland of Tchaikovsky and Dostoevsky, wooden peasant dolls, vodka, and caviar. The current wave of interest in the Soviet Union during the period of perestroyka does not contradict any of this inasmuch as the majority of the articles dealing with the process taking place in our country, while objective for the most part, give the reader to understand that nothing will result from the changes in the USSR. The best we can count on given such a description of the Soviet theme is a note of sympathy in acknowledgement of the depth of our troubles.

In this sense the Japanese inertia in its approach to the Soviet Union could outdo the Soviet inertia. Our glasnost was perceived by Japanese observers not as a chance

to pick up "clues" to the USSR epoch of perestroyka but only as an additional source from which one might collect arguments to support the traditional theses on the insolvency of socialism, the repressive nature of the Soviet system, etc., etc.

However, there is also no reason to blame the Japanese for everything—we are the only ones who can set the matter right. And in this instance favorable change is connected least of all with "naked propaganda." The Japanese are a people who are deeply practical, and as a result the situation will not advance one bit until our neighbors are convinced that the Soviet Union not only is talking about the merits of perestroyka but is also putting it into practice. Japanese "bigwig" industrialists and financiers are slow to take part in Soviet projects not because they are hindered by the national consensus on the "Northern Territories" but because there is no interest or profit in it for them.

The majority of our business proposals addressed to the Japanese consist of major raw-materials contracts and an invitation to take part in excavations in the depths of the taiga or into the earth in pursuit of raw materials. It is all very grandiose and wonderful, but the Japanese have already "outgrown" the raw-materials stage, spread out their sources for obtaining the necessary materials, and found other partners who "fetch" them the necessary product on a dependable basis in terms of quality, delivery deadlines, and standards.

Japanese business interest, as the businessmen here emphasize themselves, will awaken when the Soviet party can propose to potential partners more varied forms of "intercourse" in comparison with primitive barter. But that will happen only when normal economic operations begin in our country and when we finally begin to put our own "house" in order. This has the most direct connection to Soviet-Japanese ties—even if one presumes that we immediately return the ill-fated islands to the Japanese, the "gold rain" in the form of Japanese investments will still not take place. It is not a political problem which holds back our economic contacts but the common calculator which, without any political biases, calculates the unprofitability for Japanese businessmen of large- scale participation in Soviet projects. Of course a general warming of bilateral relations, if it takes place, will also "warm" the economic sphere and contribute to business operations, but it can never substitute for sober calculation.

There can be no quick changes here. We must count on a process that is long and uneven, one whose foundation must be laid by the visit of the Soviet president to Japan. According to what scenario will this event take place?..

Part Seven

91UF0623A Moscow IZVESTIYA in Russian
6 Apr 91 Union Edition p 5

[Seventh and final part of article by IZVESTIYA correspondent S. Agafonov: "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] When these lines were being written, work on the program of M.S. Gorbachev's visit to Japan had not been completed, nor is it a question of details of protocol. What the tone of the Tokyo discussions will be—this is the main question. There are not all that many options here, so presenting the probable alternatives makes sense.

The first alternative, in which both parties "stick to their guns," would mean a continuation of the present policy of the Japanese game of "toughness" and "pressure" on the Soviet Union in accordance with the script put together by the Japanese Foreign Ministry, the basis of which is the inevitability of a softening of the Soviet position in the face of economic and other difficulties. We have already noted the weak points of this scenario, but it is highly likely that Tokyo will nonetheless decide to drink "the whole cup" and demonstrate to Gorbachev national consensus on the territorial issue spiced with the tempting gingerbread of Japanese credit, technology, and technical assistance, on which the Union might count only after Tokyo's terms have been accepted. I will permit myself to assume that if such intentions emerge in the course of final preparations for the visit absolutely clearly and definitely, the visit might not take place at all—although a trip to Tokyo is attractive from all aspects, the lack of large-scale results from the firing of the "main battery" of Soviet diplomacy could be the most telling argument in favor of the promised visit being postponed until better times.

If, on the other hand, given this arrangement, our leader heads for Tokyo all the same, this would signify by no means radical changes in the Soviet position but a bilateral Foreign Ministry compromise in the business of compilation of the "documentary basis" of a historic event—the preparation and signing of a package of bilateral protocols, agreements, and contracts, the extent of which would "repay" the political weakness of the trip. Seven agreements formerly proposed by Shevardnadze (it is now rumored that their number has grown to 12) constitute the backbone of such a "package," according to the intention of the Soviet side.

The Japanese proposals, as may be judged, have not yet conclusively been formalized inasmuch as Tokyo is still hoping for a political result. When it becomes obvious that the hopes are idle, the work of the preparatory groups will go much quicker.

As far as the visit itself is concerned, it has to be assumed, given this scenario, that many declarations will be heard in support of political wisdom on both sides and that the boundless expanse for the development of full-scale cooperation will be emphasized, and an emphasis on joint action in the solution of global problems and in the approach to regional issues on the basis of the principles of the new thinking should be expected. Of course, the visit will be the event of the year and will cause a great stir in Japan, which in the alternative in question, however, would come to nought very quickly.

The second alternative could materialize in the event of Tokyo making adjustments to the script and recognizing that toughness is not the sole and not the best tone in conversation with Moscow. If the "expanded balance" theory born in the Japanese political interior and providing for the proportional development of relations with the Union without confinement to the territorial question is not suffocated in the cradle and enjoys logical development, there is a chance of such a turn of events.

Viewing things realistically, it has to be confessed that Tokyo will simply be unable as early as April to accomplish an abrupt turnabout from a confrontational line in contacts with Moscow toward openness and trust, and there is no reason to count on this. But something akin to a demonstration of a "first step" is entirely admissible, and from this viewpoint the Soviet leader's arrival in Tokyo is an ideal excuse for such a demonstration. To accede to this, the Japanese would not have to do violence to themselves and stop their singing in midsong—a public acknowledgement that the vital aspirations of the Japanese people may be realized only after bridges to their closest geographical neighbor have been built and the conditions for a broad-based dialogue on the entire perimeter of bilateral relations have been created would be sufficient. Such a formulation of the issue would not require either a fundamental revision of all foreign policy or, even less, a renunciation of the claims to the Soviet islands.

Were this to be the case, Gorbachev's visit to Tokyo would become a trump card in the Japanese arsenal. An approximate, although very distant, outline of such an option was played out in January last year during the visit to Moscow of Shintaro Abe. At that time the compromise wording being road-tested by the former foreign minister passed the test of title of successful "trial balloon," and, as can be judged from individual leaks from influential circles in the Japanese Foreign Ministry and the ruling party, Tokyo is seriously studying the probability of just such a development of events. In any event, the "prime costs" of this option do not require any major sacrifices from the Japanese side and will not entail losses.

Aside from the two scenarios that have been described, no other serious alternatives are to be discerned as yet on the Japanese side. On the Soviet side, on the other hand, there always remains the element of irrationality, the main source of which in this case is the administrative system's desire, nurtured for decades, to turn the visit into an "epoch-making event," having saturated it with a heap of new initiatives in respect of Japan and the Asia-Pacific region, some public illustrations of the new thinking, and miscellaneous "adornments" in the form of a garland of protocols, agreements, and such. This will evidently happen this time also, although, strictly speaking, there is no need for artificially stirring up a hullabaloo and for needless pomp. The mere fact of the Soviet leader's arrival in Japan is truly important and significant—this is the main sensation, not what follows in its wake. It is in principle time to close up, if only for a time, our extraordinarily productive channel for the manufacturing of initiatives and allow the Japanese time to calmly look into all that Moscow has already worked up and proposed.

The sole thing that might be appropriate, however, would be movement on our part in respect of demilitarization within the framework of the region and in the areas close to Japan, the South Kurils included. If we wish to speak with the Japanese calmly and confidingly, there is no avoiding these steps. Just as there is no avoiding discussion of a forbidding matter which we inherited— concerning violation of the neutrality pact and concerning Japanese POW's. Drawing a line beneath the past, "lifting sin from the soul," as Russians say, would without a shadow of doubt be evaluated on its merits in Japan.

I would like to say in conclusion that the current baggage in Moscow and Tokyo is essentially not that bad. The countries are negotiating with one another, trading, and exchanging delegations in various fields, and people are traveling as tourists to familiarize themselves with a different reality. A detailed list of the achievements of our relations would run to several dozen closely written pages. Life takes its course and is making corrections and additions to these pages, called in the high style the "annals of Soviet-Japanese friendship." This lazy flow of affairs in the channel of a "reasonable sufficiency" has lasted several decades now and could at the same leisurely pace greet its century and move on into the next millennium. The stability of such a prospect and its balanced nature could even evoke a feeling of emotion, satisfaction, and serenity in accordance with the principle of being content with a "bird in the hand."

All this is true, but for some reason or other I have a great longing to compare such a measured tread with a swamp. I would like to see at least attempt to pull ourselves out of it and do something more in comparison with what we currently have. Everyone is already fed up with the standard words about our wealth of opportunities and the inadequate use of their potential, but it is regrettable that it fully corresponds to reality. This is that "two in the bush" which essentially does not need to be chased and for which there is no need to soar to the skies—it is right alongside, across the threshold of the customary cliches and stereotypes which have raised several generations of Japanese and Soviet people. The wall of these stereotypes does not need to be broken down even—it is sufficient not to complete its construction and not support it, and it will be demolished by life itself.

The first Soviet president is for the first time in the history of relations between the two countries going to Japan on an official visit. To Japan, with which our fatherland has never really been on friendly terms or had substantial and extensive relations which could be recalled with nostalgia. Moscow and Tokyo have successfully proven to one another that they can still live without such closeness and cordiality. Do we need to persist any longer in this proof? The question is

addressed to both the Soviet and Japanese parties to the dialogue equally. No one is preventing them today from speaking candidly and sincerely, and nothing can prevent them, if the desire is there.

Japan Viewed as 'Last Untapped Reserve'

91UF0632A Moscow IZVESTIYA in Russian 9 Apr 91 Union Edition p 7

[Article by Professor V.D. Belkin, doctor of economic sciences, and V.P. Storozhenko, doctor of economic sciences: "Moscow-Tokyo: Are Alternatives Possible?"]

[Text] Moscow—We cannot but admit that the seven installments of the series by S. Agafonov "Moscow-Tokyo: Are Alternatives Possible?" (see IZVESTIYA Nos. 76-82) make very interesting reading. We would have nothing to complain about to the author and the newspaper if the designated genre of this series were science fiction. Agafonov is in error on the main point. It is not Japan that needs the Soviet Union; it is the Soviet Union that needs Japan. Neither the superpower syndrome nor the vestiges of the "cold war," nor the irresponsible optimism of jingoists, will eclipse this simple fact which, alas, is not gratifying.

While describing the nuances of world politics in a detailed and lively fashion, Agafonov forgets a detail—we ourselves, our country which is not at all moving along on a course parallel to that of Japan but, having lost power, is fighting to remain afloat. Agafonov advises us to set great hopes on the difficulties of Japan. He says that we should wait until the Japanese start rolling back, any moment. From then on, every year we win will unavoidably soften the Japanese stance.

Thanks for this advice! However, how would he have us wait out these years now that we are counting days? Where can we wait when a fire is in progress—at the bottom of the sea? Japan remains our last untapped reserve. Its financial and technological resources are virtually unlimited. However, in Agafonov's opinion it cannot wait for the fruit of our misfortunes to finally ripen in order to shower its treasures on our country which is tormented by lines.

Alas, the fruit is already ripe and overripe. Let us look at, for example, the Far East. For a number of years now the economic and demographic situation in the Far East has been deteriorating catastrophically. All previous spectacular resolutions on this issue have remained on paper.

Given the critical situation for the region and the country as a whole which has emerged, a fundamentally new concept of developing the Far East on a market basis should be worked out and implemented which will set forth ways to create a dynamic and prosperous society of millions in the Far East.

Mounting interethnic conflicts have already produced a 1 million- strong stream of refugees and a tangle of problems with their resettlement. More than a million people should be urgently resettled from a contaminated radioactive zone, and in the immediate years to come—about 5 million. Many people long to get away from the regions of ecological disaster.

We will not succeed in resolving the existing situation with domestic and outside refugees by the customary method of patching up holes. It is necessary to find fundamentally new opportunities for the life of millions of people who have lost the ground under their feet and the roof over their heads, as well as those who dream of applying their resourcefulness and talents. The Far East could become a promised land for these people. Even some of those whose "bags are packed" and who cannot accomplish their goals in the Motherland will prefer to "emigrate" to the Far East under the circumstances.

No concept of developing the Far East may be implemented without multibillion foreign investments which only Japan is capable of making. Japan is considerably ahead of the United States in terms of its investment potential because it has the largest bank capital in the world. However, the return of the four Kuril Islands is a nationwide idea for the Japanese, like the unification of Germany for the Germans, rather than the aspiration of the authorities. Let us not delude ourselves: No friendship will come about unless this problem is solved.

Agafonov maintains: "No foreign-exchange mine will help us in the absence of a radical reform of the entire organism." This is correct indeed, but it is also correct that, given the current catastrophic situation, no reform of the entire organism will proceed without a major "foreign-exchange mine." "...I cannot conceive of us being sustained by credits indefinitely." The question is: Who says that we will? What does it follow from?

What other arguments are there in favor of keeping the islands? Military-political arguments? The bastions of confrontation are staunchly maintained there, and the fear of Japanese militarism is instilled. It is surprising: In the West, we pursue quite a wise and modern policy, whereas here in the East we make a bugaboo, make into a bugaboo a country that has forever forsworn nuclear weapons and spends a mere one percent of its gross national product on military needs.

Counting on Japanese aid, we should keep in mind a mutually advantageous partnership in the future. In a civilized society, this presupposes understanding the position of one's partner, having a benevolent attitude toward him, taking his interests into account, and making concessions for the sake of cooperation.

The president will go to Japan in several days. They are calling this visit historic. However, so far it is historic only in potential, in view of the tremendous opportunity that exists.

Economic Status, Resources of Kurils Viewed

91UF0643A Moscow PRAVDA in Russian
11 Apr 91 Second Edition p 6

[Article by PRAVDA correspondent N. Bratchikov: "On Our Most Remote Islands"]

[Text] Kuril Islands, April—**Here and there the little boats came out of the fog like ghosts. They were returning home with full holds after a night's catch of mackerel. Dozens of drifting floating fish factories and bases could be seen in the water. The area between the two island banks—the Greater and Lesser Kurils—could hold the entire Far Eastern Fishing Fleet.**

Lev Sedykh, director of the Ostrovnoy fishing combine on Shikotan, remarked on what the Ministry of the Fishing Industry "catches" out of this small Kuril patch of water.

"I will take the most average figure—the volume of the ocean catch of fish and ocean products here is 1 million tons. Considering the cost of the raw materials and also the products produced from them, according to estimates its value on the Western market is $4.5 billion. I do not want to convert this into our worthless rubles—look at it this way: There is a real biological Klondike between the Kuril Islands. There is no other such unique basin in the country.

Of course, in the 10 years since my report was written, which I mentioned at the beginning of this essay, $45 billion has been earned here. That's right, I thought, if a small part of this sum were invested in the development of the Kurils, a magnificent modern fishing city could grow on Shikotan or on Kunashir. But what did I see then? A wooden, dilapidated fishing plant. Primitive lines for the manual sorting of mackerel, dirt, dampness, wretched barracks, and thousands of women ailing from the icy water and the domestic disorder who were recruited from across the country to come here for the fishing season.

In the 10 years, of course, some kinds of changes have taken place on Shikotan. The settlement has whole streets of new homes. A palace of culture and sports, a school, and two kindergartens were put in. A television relay adorns the mountain.

From the factory, we drop in on fish cannery No. 96, which is as different as night from day from that old miserable barn, which luckily was recently destroyed in a fire. Director S. Kryuchkov, a person who is quite frank and critical, is "rolling barrels" on the Ministry of the Fishing Industry and the Far Eastern Administration of the Fishing Industry as superfluous and unnecessary, and impeding the work of links in the production chain. The benefit and help we have received from them is zero; on the other hand, there is a heap of command circulars.

"Will they give us freedom and independence in operations, and the opportunity to use at least part of our product?" Semen Makarovich says angrily. "We would have outstanding production."

Only the Sakhryba association, which is right in the Pacific Ocean basin, still in some way is favorably disposed to a creative search and does everything within its power to render practical assistance. And this is the result: Equipment that was set up in the spacious shops immediately freed thousands of hands. Now, the need to bring in recruits for the Kurils has practically fallen off completely. From this moment, a new phase also began in consolidating cadres, and productivity not only did not fall but was raised about 70 percent.

The technological measures that were introduced made it possible for Ostrovnoy to climb out of a deep state hole and come out with a plus at the end of the five-year plan, and now to accelerate and again accelerate the rates and volume of production, which is now reaching 170 million rubles [R] per year. Opportunities have arisen to create more or less bearable human conditions at the expense of their own sources right at the enterprise.

This concept of "more or less" is also exactly a social AIDS in the Kurils. It muddles people's heads. It makes scandalous ulcers on the body of the islands. Without being clever, I will say: The state tossed them to the whims of fate. A wild robbery of local resources was carried out by three shareholders—the country as a whole, the Far East, and Sakhalin. Each one tried to snatch a piece of the richer part, not investing even one penny or allocating donations to support the lives of thousands of people who are working in temporary positions.

Is it not this state policy with respect to the Kurils that added to the ardor of the Japanese Government in its long-range demarche for the "Northern Territories?" They say, the Russians do not need the islands badly, and they have such a huge territory, we will bring a little pressure—and we will get them.

Look carefully at the map of the Southern Kurils. Between the islands you see shoals of 30 meters and also of 20 meters, and they drop sharply in depth as they go out. The shoals heat up well, and an abundantly nourishing environment is created, to which masses of fish come for sustenance. Crabs, shrimp, and mollusks propagate here intensively. Dense forests of underwater kelp grow. But Kunashir has natural plantations of agar-bearing seaweed and other rare red algae. The country essentially buys the rarest components of these abroad, paying exorbitant currency. But we handle our own wealth rapaciously. In the extraction season, the kelp is torn out right along with the rhizoids, which has a destructive effect on its multiplication. And the seaweed collected is taken by vessels to Korsakov to the agar plant for processing. It seems that it is impossible to build one here on the island.

The Soviet waters by the smaller bank are subject to raids by Japanese poachers who openly brag that "they work as if in their own garden," sweeping up sea-urchins,

crab fields, and mollusks. In our industry, hands do not reach out to this biological "gold"—there is no boss.

The Kuril Ispolkom [executive committee] came out with a proposal to put it in charge of everything within a 12-mile zone around the islands. But no, this was severely criticized—do not dare to! Of course, it is easier for anyone to scoop up sea products in a neutral zone with impunity, not paying one kopek for resources.

The second management direction in order of importance requires large capital investments in the infrastructure. However, expenditures will be repaid a hundredfold and very quickly. I am talking about the "exploitation" of the unique nature of the Kurils. The climate on the islands is almost subtropical. Luxurious wild vegetation, distinctive natural scenery with volcanoes and waterfalls, lakes untouched by civilization, bays with rocky steep coastlines and fantastic rock formations, and heated sources of subterranean thermal waters—all of this creates an inimitable coloring, which serves as the basis for international tourism, relaxation, and cures.

One thing can be said for now: Natural treasures lie there in vain, but are sometimes used in a barbarous way.

Foreign journalists who landed in Kunashir noted: "The Kurils are a diamond ready for cutting; you have to take dollars for just a view of the Tyatya volcano..." Well said. But a real master is needed for the cutting!

"Measures to accelerate the socio-economic development of the Kuril Islands," which were examined by the USSR Council of Ministers, and the "Concept for the future" also prescribe clearly other important directions regarding island development. But the inhabitants of the Kurils have doubts about this: Will these documents once again remain empty paper, with no practical application, like their predecessors?

The robbed island colonies would not like to remain one on one with the harsh character of a market that is entering into its own rights. The Union and Russia in all of the complexity of the social situation in the country should turn their eyes to their own tiny ocean lands and the fate of those several thousand inhabitants who intend to further protect and multiply the eastern wealth of the Fatherland. Give them more freedom of action, and an opportunity to use the fruits of their own work, and do not put them on a par, let us say, with other regions of the country.

As for relations with foreign neighbors, the Kuril inhabitants, remaining sincere patriots and masters of their own small Motherland, open up not only their hearts but also their borders for cooperation with Japan. This openness has been proven repeatedly: Delegations, foreign journalists, and entrepreneurs have started flying to the "forbidden islands" just as they do to Sakhalin. But eminent political scientists and economists want to convince the world that the "inability" of the USSR is pulling the West away from developing economic relations.

Strange. Because businessmen are rushing to the islands in full force, but the political scientists, diplomats, and the Japanese Government are blocking this rush with a "guillotine " of fines and even threats of imprisonment.

"These Japanese entrepreneurs are greatly troubled by the fact that the South Kurils initiated the development of business ties with foreign companies of other states of the Pacific Ocean region, and they would not like to permit this," comments V. Fedorov, chairman of the Sakhalin Oblispolkom [oblast executive committee]. Our answer is natural: Being market economists, we encourage international competition, and we select the most beneficial partners."

'Official Positions' on Kurils Detailed

91UF0633A Moscow ARGUMENTY I FAKTY in Russian No 15, Apr 91 pp 2-3

[Unattributed article: "A Peace Treaty and 'The Northern Territories'"]

[Text] *As we know, M.S. Gorbachev will pay a visit to Japan from 16 to 19 April. The main purpose of the visit is the conduct of negotiations on concluding a peace treaty between the two countries. At our request, the USSR Ministry of Foreign Affairs and the Japanese Embassy in the USSR have presented ARGUMENTY I FAKTY the official positions of the parties in this issue. Here we provide the reader the key provisions of these positions.*

The USSR Position

The Soviet Union is striving to achieve full normalization of relations with Japan and the conclusion of a peace treaty with that country, considering this one of the priority tasks of its foreign policy.

As we know, Japan has made claims to the southern Kuril Islands—Kunashir, Iturup, and the Small Kuril Chain (the island of Shikotan and a group of small islands and rocky crags known in Japan as the Habomai), declaring that this is "primordial Japanese territory" never belonging to any country other than Japan and "illegally occupied" by the Soviet Union in 1945.

The Soviet side proceeds from the point of view that the Kuril Islands, including their southern portion, belong to our country on the basis of international law as well as from the historical perspective. They were acquired by the Soviet Union on legal foundations as a result of World War II in accordance with a number of agreements concluded by the Allied Powers—the Cairo Declaration of 1943, the Yalta Agreement of 1945, and the Potsdam Declaration of 1945. Japan's repudiation of all

rights, legal foundations, and claims to the Kurils is stipulated in the San Francisco Peace Treaty of 8 September 1951.

The Soviet Union did not sign the San Francisco Peace Treaty. However, this does not remove Japan's obligations proceeding from the abovementioned agreements of the allies with respect to transfer of the Kuril Islands to the Soviet Union. Additionally, Japan's repudiation in the San Francisco Peace Treaty of all rights, legal foundations, and claims to the Kuril Islands is absolute in nature, and its legal consequences go beyond the bounds of the circle of treaty participants. This is in accordance with commonly accepted international practice and doctrine, which relates territorial provisions of peace treaties to the norms of objective international law, norms which affect international relations in general, and not only relations between the countries participating in such treaties.

Cessation of the state of war and restoration of relations between the USSR and Japan were effected as a result of the signing of the Joint Declaration of the USSR and Japan of 19 October 1956.

Stipulated in the Declaration is the intention of the parties to continue talks on the conclusion of a peace treaty following the restoration of relations. At the same time it was indicated that the Soviet Union, moving toward meeting Japan's desires and taking the interests of the Japanese state into consideration, would agree to transfer the islands of Habomai and Shikotan to Japan, with the provision, however, that the actual transfer of these islands to that country would take place after the conclusion of a peace treaty between the Union of Soviet Socialist Republics and Japan.

During this period, however, the Japanese side did not move toward concluding a peace treaty with the USSR based on the above- mentioned provision of the Joint Declaration, but insisted that the islands of Kunashir and Iturup also be transferred as part of the conclusion of a peace treaty. Japan's position has not changed since that time.

In January 1960, in connection with the conclusion of a "security treaty" between Japan and the United States, the Soviet Government stipulated additionally that the transfer to Japan of Habomai and Shikotan depend on the withdrawal of all foreign (American) forces from Japan.

Intensified discussion of the problem of the southern Kuril Islands during the course of Soviet-Japanese peace treaty talks presently underway shows that the problem of territorial demarcation, which must be resolved in the treaty, belongs to the most complicated and delicate of issues, directly affecting the national and patriotic sentiments of the peoples of both countries, the question of postwar state borders.

The Soviet side considers it necessary—and appeals to its Japanese partners in this regard—to take into account what has historically taken place, to bear in mind all aspects of the territorial issue, its historical and modern context, the Japanese and Soviet points of view. We take note of the fact that the subject of Soviet-Japanese talks and exploration should be how to juxtapose all these factors, while moving toward one another and being guided by good will.

The Japanese Position

Japan sincerely desires the broadening of cooperation with the Soviet Union. This would not only be to the benefit of both nations, but would facilitate stability and prosperity on a global scale as well.

Our country knew of the existence of Sakhalin and the Kuril Islands before Russia did, and began their actual development and assimilation. Russia's sovereignty never extended to islands south of Urup. On 7 February 1855, a tract of friendship and trade was concluded between Japan and Russia, providing the starting point for ties between our states. According to the tract, the Japan-Russia state border from that time onward was established between the islands of Iturup and Urup, the Kuril Islands from Urup northward being designated for inclusion within the Russian empire. In the same legal context, the islands lying to the south—Iturup, Kunashir, Shikotan, and the Habomai chain—were declared the territory of Japan.

During World War II the Allied Powers defined their policy regarding a postwar settlement in several declarations. Thus it was declared in the Cairo Declaration of 1943 that Japan must give back its Pacific islands acquired as a result of World War I, Manchuria, Taiwan, the Pescadores Islands, Korea, and all other territories "seized by force." Nothing precise concerning Sakhalin and the Kuril Islands was stated in the Cairo Declaration. It was evident, however, that the islands of Habomai, Shikotan, Kunashir, and Iturup, compromising the primordial territory of Japan, did not fall under the determination contained in the Cairo Declaration of "territories seized by force."

The Yalta Agreement of 1945 provided for the return to the Soviet Union of former Russian possessions—the southern portion of Sakhalin and all nearby islands, as well as the Kuril Islands, which came under Japanese sovereignty by force of treaties concluded in 1875 and 1905. First of all, however, this agreement only determined policy for postwar construction and cannot be considered a final settlement of territorial issues following the war. Second, our country is not an original participant in the Yalta Agreement and cannot consider itself bound by it. In its relations with Japan, therefore, the USSR cannot cite this agreement.

It was determined in the Potsdam Declaration of 1945 that the conditions of the Cairo Declaration must be fulfilled and that the sovereignty of Japan was limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such smaller islands as the Allies would indicate. However, the specific wording dealing with the islands which

would be indicated by the Allies was never decoded in the declaration. Insofar as a final resolution of territorial issues resulting from the war is being determined only by the peace treaty, provisions of the Potsdam Declaration in this sphere do not have the force of law.

On 9 August 1945, the Soviet Union violated the treaty on neutrality with Japan in effect at that time and entered the war on the side of the Allied Powers. By the beginning of September, Soviet forces had occupied the southern portion of Sakhalin, the Kuril Islands, and also the islands of Kunashir, Iturup, Habomai, and Shikotan.

The following wording appeared in the San Francisco Peace Treaty concluded in 1951 between Japan and the Allied Powers regarding Sakhalin and the Kuril Islands: "Japan renounces all rights, legal foundations, and claims to the Kuril Islands, as well as to a portion of Sakhalin and contiguous islands, sovereignty over which it acquired as a result of the Treaty of Portsmouth." It was not determined who would obtain these territories, however. The USSR included them unilaterally into its own territory. In addition, there was no precise determination in the peace treaty of the geographical boundaries of the concept "Kuril Islands."

Since the USSR refused to sign the San Francisco Peace Treaty, our country faced the necessity of concluding a separate peace treaty with the Soviet Union. In June 1955 talks began between Japan and the USSR on this subject. Because of the lack of agreement concerning all territorial issues, however, an understanding was reached on 29 September 1956 in the "Matsumoto-Gromyko letters" to continue negotiations on concluding a peace treaty, including talks on the problem of territories, following the establishment of diplomatic relations. On 19 October 1956, the parties limited themselves to the signing of a joint declaration on the establishment of diplomatic relations. According to the declaration, the islands of Habomai and Shikotan would be transferred to Japan following the conclusion of a peace treaty. The question of returning to Japan the islands of Kunashir and Iturup—in the spirit of the "Matsumoto-Gromyko letters"—was to be resolved during the course of negotiations on conclusion of a peace treaty. In 1960, however, the USSR retreated from this understanding, citing the conclusion of a treaty on mutual cooperation and security between Japan and the United States and ignoring the fact that American troops were already stationed on Japanese territory in accordance with a 1951 security treaty between Japan and the United States.

Gorbachev Japan Trip Viewed in Global Terms

PM1204113491 Moscow PRAVDA in Russian
9 Apr 91 Second Edition p 5

[Report by PRAVDA political observer Vsevolod Ovchinnikov: "Close Neighbors in a Changing World: International Context of the USSR President's Visit to Japan"]

[Text] Attentive analysts have noted the special nature of the closing phase of preparations for M.S. Gorbachev's visit to Japan. I. Ozawa, secretary general of the Liberal Democratic Party [LDP], visited Moscow, while USSR Foreign Minister A.A. Bessmertnykh has been to Tokyo, after which they went to Washington and Beijing respectively. There was nothing sensational or mysterious about this. The desire to consult your principal ally or close neighbor before such an unusual event is quite usual. But whereas the former instance was the incarnation of the inertia of tradition above all, the latter embodied the dynamics of change.

The summit meeting in Tokyo will not occur in isolation. For instance, the domestic situation will have far less impact on Japan's prime minister than on the USSR president. However, if we analyze the international context of the visit, in my view, it is equally and, possibly, even more favorable for the Soviet than for the Japanese side. The increased dynamism of Soviet foreign policy in all areas, including the Asia-Pacific area, has become an incontrovertible fact during the years of perestroyka. Against this backdrop Japan's political inertia and the economic superpower's penchant for avoiding autonomous initiatives in the world arena, preferring its habitual role as the United States' junior partner, has become increasingly obvious.

Of course, the activeness of one and the passiveness of the other cannot in itself serve to indicate the strength or weakness of any of their positions. But the following question is quite apposite: How may the international context of the visit affect the results of M.S. Gorbachev's trip? During a recent trip to Japan, I asked this question at virtually all my meetings.

At the Foreign Ministry on Kasumigaseki, Tokyo's Whitehall, I had a conversation with Kadzuhiko Togo, head of the USSR, Eastern Europe, and Oceania Department. In his opinion, the external aspects of the visit favor a breakthrough in Japanese-Soviet relations. There have been important changes in Europe. There has been a shift from confrontation to cooperation between the United States and the USSR. Soviet-Chinese relations have been normalized. Direct contacts between Moscow and Seoul have had a favorable impact on the situation in the region. They have boosted dialogue between Tokyo and Pyongyang. Japan, Mr. Togo pointed out, is prepared to discuss any global and regional problems with the Soviet Union, including questions of security and confidence-building measures, which it has until recently avoided. However, he thinks that vigorous cooperation between our states in the Asia-Pacific region depends on progress on the territorial question.

That is the Japanese side's position. As for the USSR president, he has declared his intention to discuss thoroughly in the course of the visit problems of bilateral and multilateral cooperation in the Asia-Pacific region, and recalled in this connection the ideas voiced in Vladivostok and Krasnoyarsk. The USSR has demonstrated in

practice its commitment to the Vladivostok and Krasnoyarsk initiatives, notably by a series of unilateral steps. As is well known, it has cut its armed forces in the Asian section of the country by 200,000, substantially reduced their nuclear potential, withdrawn its troops from Mongolia, and is reducing its military presence in Vietnam's Cam Ranh Bay. The normalization of Sino-Soviet relations has opened up an opportunity for the neighboring countries to cut back garrisons along the 7,500-km border and the complete demilitarization of the border is in prospect. Thus Moscow and Beijing have removed a seat of tension in the Far East and taken a real step toward military detente in the Asia-Pacific region.

Some 18 months after the sensational meeting between the USSR and South Korean presidents in San Francisco the heads of the two states signed a declaration in the Kremlin saying that they are "committed to the ideas of turning Asia and the Pacific Ocean into a region of peace and constructive cooperation via the process of bilateral and multilateral consultations." Diplomatic relations between Moscow and Seoul have breached the "iron curtain" dividing the Korean Peninsula.

A political settlement of the Cambodian problem has drawn near, thanks to the persistent efforts made by the five permanent members of the Security Council and interested states in the region. Top-level contacts between India and China have resumed and the age-old disagreement between China and Indonesia has been overcome. All these positive changes reflect the move away from alienation to dialogue—something that is characteristic of the Asia-Pacific region—and the growing need to set up an effective mechanism to discuss pressing regional problems.

In the opinion of official circles in Tokyo, regional conflicts should be settled before discussing security problems in the Asia-Pacific region (they include the question of the "northern territories"). Let Moscow surrender the islands first, they say, and then the application of the European experience on Asian soil will be discussed.

Blatantly anti-Soviet statements can be heard among the discordant choir. Akira Sono, Japan's former ambassador to the FRG, describes M.S. Gorbachev's visit to Japan as one of the links in the USSR's subversive activity on the international arena. The Soviet leader's plan, he writes in SANKEI SHIMBUN, is this: As soon as the Western public believes that the "cold war" has ended, its interest in defense will disappear. It will be more difficult to retain the requisite level of arms, Western unity will therefore slacken off, and differences between the United States, Japan, and Europe will intensify. Moscow's policy, Akira Sono claims, is designed to obtain financial and economic aid from Japan—while dragging out the resolution of the territorial problem—and secure cuts in the U.S. Armed Forces in the Far East on the pretext of creating an all-Asian security system. That is why, the former diplomat concludes, the USSR president's visit to Japan must be postponed.

These are isolated statements. But there would not be a full overall picture were I not to mention them. Moreover, by no means everyone in Japan considered the ending of the "cold war" to be undoubtedly beneficial. During the postwar occupation the Americans helped the country rapidly rise from the ruins, above all with a view to rendering it the bastion of its policy of containing communism in the Asia-Pacific region. East-West military-political confrontation has damped down the acuteness of the trade and economic rivalry between the leading industrial powers. But there has now been a change in the usual convenient—for Japan—order of things. A colleague of mine from ASAHI SHIMBUN said figuratively that the child of the "cold war" has become the orphan of the "new detente."

Competitive interdependence is the most melodious term used to characterize Japanese-U.S. relations. The two states' commodity turnover has topped $140 billion. It is about to exceed U.S.-Canadian trade, and as a result Japan and the United States will be one another's largest economic partners. But the trouble is that this commodity traffic is not equivalent. First, the Japanese sell far more than they buy (in 1990 the figures were $90 billion and $50 billion respectively, while a few years ago their exports were treble their imports). Second, they prefer not to obtain industrial goods from the Americans but agricultural produce and raw materials, as if they are dealing with a developing country.

The result of this quantitative and qualitative imbalance is obvious. The United States has become the world's largest debtor. Japan has become the world's largest creditor. How is the Land of the Rising Sun using its foreign trade revenue? First, it is acquiring U.S. treasury bonds, thus financing one-third of the U.S. federal budget deficit. Japanese dealers are using a second, larger proportion of the money to "buy up America." But Uncle Sam is particularly alarmed by the third target of these accumulated yen: depriving the United States of its lead in high-tech sectors, making Japan the number one technological power. The time has gone when the men developing pocket transistors were described as "smart imitators": Japan has already outstripped the United States in terms of capital investment in research and development relative to GNP.

Washington is seeking a different use for this money so as to ensure that Japan's foreign trade revenue does not act as a trump card in the technological duel with the United States: It is demanding that Tokyo pay more fully for the U.S. military presence on Japanese territory and increase its financial backing for the United States' "strategic allies." (In terms of state aid to foreign countries—$11 billion per year—Japan leads the world, ahead of the United States). The "mini Marshall plan" for the Philippines, which makes provision for granting

that country $5 billion to reinforce the Aquino administration's positions (and at the same time make the administration more tractable as regards the future of U.S. bases in the country) was an example of division of labor in accordance with the following principle: America—world gendarme, Japan—world banker.

But war broke out in the Persian Gulf, strikingly revealing Japan's inability to be an active protagonist on the international scene. I was in Tokyo when the results of a Harris Poll caused a sensation. Some 73 percent of Americans said that Japan had not made a "fair contribution" to the overall efforts to evict Iraq from Kuwait. Even the attempts to provide Operation "Desert Storm" with direct backing and send several military transport aircraft to ship out refugees was blocked by the opposition. But Washington is even more annoyed at the fact that Tokyo failed to cope with the role of paymaster either. The decision to appropriate $9 billion to cover the multinational forces' expenses (in addition to the previous appropriation of $2 billion) was adopted after a tremendous delay and ratified by the legislature after hostilities had ended. President Bush voiced his attitude to this quite eloquently. On meeting the main allies in the anti-Iraq coalition after the victorious blitzkrieg in the desert, Bush ostentatiously canceled the visit to Japan scheduled for this spring. However, my Japanese interlocutors pointed out that the White House incumbent is also in no hurry to go to Moscow, which, unlike Tokyo, provoked White House irritation by its activeness rather than its passiveness.

Might the certain chill that the United States is manifesting with regard to Japan and the Soviet Union have some effect on the results of the Soviet-Japanese summit meeting in Tokyo? It is hardly right to labor under any delusions on this score but nor should one ignore this.

It is no coincidence that I. Ozawa, LDP secretary general, as noted above, went to Washington after his meetings in Moscow. He said there that Japan's efforts to improve relations with the USSR would be made within the framework of U.S.-Japanese alliance-partnership ties. YOMIURI SHIMBUN explained that this means that Japanese economic and technological aid, along with the steps to set up a security system in the Asia-Pacific region, should not under any circumstances conflict with Washington's and Tokyo's common military-political interests. We are obviously up against the "junior partner" syndrome again.

I am prepared to agree that it is somewhat naive, given the current state of our affairs, to talk about the "complementarity" of the Soviet and Japanese economies. We now account for less than 1.5 percent of Japan's foreign trade. It would nonetheless be wrong to claim that we do not need one another at all. Japan views with alarm the processes of regional integration gaining momentum: Europe-92, the North American economic community, and the East Asian home. The more real the threat of protectionism, the more frequently the word "diversification" is heard in the Japanese business world. The Land of the Rising Sun has frequently seen how dangerous it is to put all your eggs in one basket. Let me cite a meeting at KEIDANREN—the Federation of Economic Organizations, comprising the captains of big business.

"It is a mistake to believe that Japan can manage without imported resources while laying the stress on science-intensive technologies," I was told by Katsushige Tanaka, managing director of the Nippon Steel corporation. "Japan will always need raw materials and energy sources and, consequently, will always be interested in economic ties with the Far East and Siberia. Moreover, it is particularly important under contemporary conditions to diversify import sources. The Soviet Union's role as economic partner may increase. Take, for instance, China. Is it superior to the USSR in terms of scientific potential or natural resources? Yet, China has increased its trade turnover with Japan to $20 billion by boosting the proportion of finished products in its exports from 20 to 50 percent."

So, opportunities do exist. The question is how to realize them. Both we and the Japanese must give up ideologized approaches and focus our attention on our common interests in order to overcome the mistrust and past grievances. These interests are above all peace, stability, and cooperation in the Far East. Japan is interested in the success of perestroyka. Japan views a crisis in the largest nuclear power like a fire in a neighbor's house. Successful reform promises to render the USSR a reliable and advantageous partner.

IZVESTIYA Examines Kurils' Recent History

Part One

PM2803153591 Moscow IZVESTIYA in Russian 27 Mar 91 Union Edition p 7

[Part one of a report by special correspondents A. Anichkin, F. Ivanov, and V. Svartsevich: "Our Kurils, Which the Japanese Consider Theirs"]

[Excerpt] Southern Kurils—The beaches of Kunashir are cluttered with Soviet scrap metal and the dross of Japanese civilization. Rust eats away metal faster than it can be taken away for remelting, while "hunting at ebb tide" gives local children, and adults, too, the opportunity to gather all sorts of overseas items that are needed in the economy: from a fisherman's cap to a not quite empty bottle of whisky, from a blue plastic tray for fish to studded vehicle wheels. Inhabitants of the Southern Kurils prefer to learn about the weather not from the local meteorological service's reports nor, of course, from the "Vremya" program but from Japanese television. Foreign Hokkaido, the vehicles and electric trains dashing about it, the nighttime chains of lights, and—on holidays there—bursts of fireworks are clearly visible from Soviet Kunashir. From the other shore a different, quite different life comes really close to Russia's most remote outlying district....

Here, on these eight islands (the total area of approximately 9,000 square kilometers is twice the size of Okinawa or one-third of the Crimea), more than one generation of indigenous inhabitants has already been born and grown up. The population density is like that in the developed countries of "old" Europe. People settle down well in the islands. We had hardly arrived at Mendeleyevo Airport in Kunashir before we came across a wedding being celebrated in the local cooperative cafe. Some 120 new island inhabitants are born on Shikotan alone every year, and there are parallel classes—up to "D"—in the local secondary school, which operates in three shifts. Hundreds of people have acquired dacha plots and grow their own vegetables and strawberries there. More than half the Southern Kuril population does not have a second residence on the mainland, and even those who settled in the Kurils comparatively recently have no intention of leaving them when they retire on pension.

Of course, many people came here tempted by the double wage coefficient and other benefits, but once they found themselves in this region they quickly became accustomed to feeling they were on their own land, in their own motherland. At Mendeleyevo Airport, from where a helicopter conveys people to other islands, someone has added to the severe address "Citizen Passengers" in the instruction notice of the flight security service the words "and people of Shikotan," as though singling out as a special tribe the inhabitants of the island in the Lesser Kuril chain which is furthest from centers both near and far.

They are not numerous, these inhabitants, but there were still fewer Japanese in the islands—17,000 at the start of the war. There are now approximately 7,000 permanent residents on Shikotan, while in 1945 there were just 916 Japanese. Shikotan old-timers still remember how, prior to the forcible expulsion at the end of the forties, they would work together at the whale-processing plant.

After the deportation of the Japanese population the islands were quite rapidly opened up by settlers from the Russian mainland. Who knows, maybe they would not now be in such a neglected state if it had not been for the political shifts in the USSR's relations with Japan. We have seen copies of documents from the late forties, judging by which there were more than 80 settlements in these eight islands. You can now count them on your fingers. Border guards alone now remain on the islands of Zelenyy, Anuchina, Tanfilyeva, Polonskogo, and Yuriy (the Japanese combine these five in one—Habomai), although prior to 1956 there were permanent residents there, who were self-sufficient.

Why 1956? This was a fateful year in the history of the Southern Kurils. After the signing of the Soviet-Japanese Joint Declaration, under which the USSR intended, after concluding a peace treaty, to hand over to Japan the six islands of the Lesser Kurils Chain (in Japanese terminology—the island of Shikotan and the Habomai island group), Zelenyy, Shikotan, and other islands were hastily evacuated. It was only after 1960, when, after the Japanese-U.S. security treaty was strengthened, the Soviet side annulled the provision relating to the islands' transfer, that the opening up of the Lesser Chain restarted. It could no longer reach the previous level—in addition to other circumstances, the policy which the state had begun of amalgamating agrarian farms and rural population centers told. It ruined the Russian countryside and left the Kurils underpopulated...

Sad-looking gray houses with walls covered with roofing felt. Impassable unpaved roads—which means that even the 50km journey from Yuzhno-Kurilsk to the settlement of Golovnino at the southern extremity of Kunashir can take days. Under conditions of a normal economy fishing would be able not just to provide the local inhabitants with all they need but would make this region a new Klondyke.

At the same time, no coefficients or benefits would be needed in a free-enterprise system, in a system which would transfer the wealth of this region to enterprising hands. [passage omitted]

Part Two

91UM0538A Moscow IZVESTIYA in Russian 28 Mar 91 Union Edition p 8

[Part two of a series of articles by IZVESTIYA special correspondents A. Anichkin and F. Ivanov: "Our Kuril Islands, Which the Japanese Consider Theirs"]

[Text] **II.**

South Kurils—Everything on the islands begins with the military and ends with the military. No sooner had an AN-24, which connects Kunashir to Sakhalin, landed on a narrow metal landing strip (incidentally, also inherited from the military) of an airport at the foot of Mendeleyev Volcano than unsmiling border guards came on board the plane to inspect passports. The meaning of this procedure was not easy to understand in the past either: Hardly anyone would have tried to make his way to the islands without a local residence permit or a special pass. At present, the closed nature of the South Kuril Islands has become altogether relative: Journalists and businessmen, public figures, and mere curiosity seekers fly in once a week, if not more often, and not only from Japan but also from many other countries. All of them "wrangle" their visas in their own ways. However, the border guards themselves have difficulty recalling a recent case in which a foreigner was not allowed to enter the islands or, worse yet, was expelled from the islands.

Incidentally, most servicemen on the South Kurils believe to this day that the border zone regimen should be reinstated on the islands in full. They refer to "military secrets" and "a threat" posed by Japan. However, uncertainty remains, and Japanese journalists use it quite professionally. There is, perhaps, not a single military installation on the islands which has not been

videotaped or photographed and subsequently shown in TV broadcasts or published in the newspapers in Japan.

The most enterprising among the islanders have already managed to start doing good business with visiting journalists. At any rate, it is known how many yen it costs to give a foreigner a ride from Yuzhno-Kurilsk to the hot springs or show him where the Japanese cemetery is located. The servicemen and border guards themselves do not shy away from convertible currency—one hour of helicopter flight costs hundreds of dollars.

It is surprising that rumors about the deployment of some super-modern weapons on the islands have not subsided even now, half a year or a year after the beginning of an invasion of the islands by Western journalists. However, the military gives a pretext for this, refusing to show gun positions to journalists for anything. We also lost hope for going to such a "position" ourselves. However, after an hour of nonstop persuasion Colonel Yu. Goncharov, commander of a motorized infantry unit stationed on the island of Shikotan, resolved to take us to the unit after all on his own authority.

A military settlement built at the entrance to the village of Krabozavodskoye, the second largest on Shikotan, differs little from thousands of others like it dispersed throughout our country. There were the same standard barracks, a club with slogans, and the well-scrubbed parade grounds. To be sure, life on the islands and isolation from civilization and the top brass allow for some liberties: Barracks rooms are not as depressing as on the mainland, and in some of them there is a touch of the "fireplace" atmosphere, due to the efforts of staff and freelance artists. Apparently, Colonel Goncharov may be considered an Army democrat: For more than half a year now, local cooperatives have been showing soldiers videotapes at the local club, along with mandatory movies. "Potential adversaries" appear on the screen—Rambo, ninja, and samurai.

Ultimately, the battalion commander even agreed to show us "a secret installation"—a gun position situated on a tall mountain right next to the village of Malokurilskoye. We had to climb the mountain—about 150 meters up on a very steep footpath—on foot; a GAZ, or any other wheeled vehicle, cannot go there. Foodstuffs and mail are delivered to the hill by truck tractors. In reality, "the secret installation" turned out to be two small wooden houses, a barracks and a mess hall, in which about 30 soldiers and officers live. The soldiers end up here after artillery "training" and serve one and a half years (excluding leave). It is easier for officers: Three weeks at the "position" are followed by eight days of leave. By way of entertainment, there are month-old newspapers, a small local newspaper, and a television set.

The "position" has a serious task: To defend Malokurilskoye and a bay in which both border guard vessels and fishing seines are based against an attack from the sea.

A waist-deep trench weaves along the very edge of the hill, connecting IS-2 and IS-3 tanks dug in 50 meters apart. The "Iosif Stalin's" were brought to the islands in the late 1970's, and since then they have accounted for the main striking power of the island's motorized infantry. These vehicles, produced at the very end of the Patriotic War, cannot move any longer. However, as artillery people told us, their guns can still be used for firing.

Who are these, frankly speaking, none too modern barrels aimed at? It is clear that they cannot be an offensive weapon. All the military men we have met on the Kurils and Sakhalin said in unison: "At a possible amphibious landing."

We did not get a coherent answer to our question about what will happen if it is an airborne assault. Instead, Lieutenant General Ye. Vysotskiy, commander of the troops stationed on Sakhalin and the Kurils, diligently cited frightening numbers and facts about the might of the nearest "potential adversary," Japan, in the course of our conversation lasting one and a half hours. In his opinion, the Japanese are considerably superior to us in terms of weaponry, and are ready to airlift dozens of their divisions to the islands any moment. As the final and weightiest argument, the general communicated that, if they so wish, the Japanese military may commandeer tens of thousands of rapid private fishing boats in order to land an assault force on the Kuril Islands literally within hours.

It is hard to argue about the military threat posed by small Japanese fishing schooners. However, they do pose an economic threat right now, and a real threat at that. The vessels of a border guard brigade based here are anchored at the entrance to the bay next to the village of Malokurilskoye. The heavy, lead-gray "patrol escorts" put to sea every day in order to take part in the "contest," of which the border guards have become quite tired in recent years. Dozens, if not hundreds, of Japanese fishermen invade the economic, and on occasion, the territorial waters of the USSR in the area of the South Kurils every day. After engaging in illegal fishing, they easily get away from the well-armed but slow Soviet vessels of the border guard. Border guards consider apprehending such a high-speed schooner to be a great success. This does not happen frequently—several times a year.

Continuous losses in chasing violators hurt seriously. Having shown us yet another unsuccessful chase videotaped from a helicopter, Captain Second Rank V. Sokur, chief of the political department of the border guard brigade, complained. Time after time it becomes increasingly difficult for him to answer questions from sailors: If the border is under lock, why do we allow all who so wish to penetrate into our territory? What can he answer, given that not a single high-speed "patrol escort" is in service with the border guards to this day, and the quite impressive weaponry of the vessels is silent: From a

certain time on, an unwritten order not to open fire on Japanese fishermen has been in effect.

The failures of the border guards are a source of permanent irritation for other residents of the islands. After all, most of them have something to do with fishing, one way or another. They know better than anyone that the Japanese fishermen, "poaching" on their schooners, steal tens of thousands of tons of the most delicious and expensive products from the fish-processing plants of the islands. Surprising as it may be, the Japanese, who are so thrifty and neat in their own country, become real barbarians when they set out to fish in the area of South Kurils. The fishermen themselves and the management of the Ostrovnoy fish-processing combine told about the Japanese not shrinking away from any fishing techniques, even the forbidden ones, which even the Soviet fishermen, who used to be indifferent to ecology, have given up.

However, a difficult relationship between the civilian population and the Army in the South Kurils does not boil down to complaints about the border guards. The servicemen, whose number on the islands, according to preliminary calculations, is approximately equal to that of the peaceful inhabitants, felt for a long time that they were the only masters of the Kurils and, in addition, not subject to control! Materiel dumped here and there which has turned into scrap metal and bamboo thickets flattened by tractor trucks are customary sights on the islands. Angry exchanges between military chiefs and local soviets regarding yet another case of dumping fuel oil in salmon rivers have also become customary. Lieutenant General Ye. Vysotskiy did not even see fit to deny it. Excuses are always available: There are no ships to haul away scrap metal; you cannot travel on the islands by anything but a tractor truck. He stressed many times that all attempts to get the procuracy involved in this have been unsuccessful: "The procurator believes that there have been no violations."

Voices demanding that the troops be removed from the Kurils are heard, if not loudly. The Army chiefs themselves attribute this position to basic envy. Indeed, the military settlement in Krabozavodskoye is a model of housing construction compared to the dozens of huts sinking to one side in which civilians live in the Kurils.

Not so long ago V. Fedorov, chairman of the Sakhalin Oblast Executive Committee, called on local soviets to distribute land for cottages among all who were interested. In the Kurils this ran into resistance from the military: The lots cannot be located next to military installations. However, what is to be done if small garrisons have seized the best lands, in river valleys, where fruits and vegetables can indeed be grown?

Of course, we cannot say that there is animosity between the military and other inhabitants of the islands. After all, it is precisely military tractor trucks that help to deliver mail and foodstuffs during typhoons and snowstorms; the military are the ones clearing the roads after blizzards. Even the airfield in Kunashir is serviced by an air defense radar unit. Many citizens, especially young ones, of Yuzhno-Kurilsk on the already mentioned Kunashir, go "to the baths" on weekends and holidays—to take a bath in radon springs at Hot Beach, a place where a border guard detachment is deployed. However, in the Kurils they are asking more and more often: Who does the Army stationed on the islands protect, and from what?

Admiral on Contacts With Japanese, PRC Navy

OW0804013991 Moscow International Service in Mandarin 2200 GMT 5 Apr 91

[From "Hello, China" program]

[Excerpts] Dear friends, Vice Admiral (Bizhenov), member of the Committee of Military Counselors and director of the political department of the Soviet Pacific Fleet, spoke to our station reporter (Karypov). [passage omitted]

In your opinion, what are the prospects for the Soviet Pacific Fleet establishing direct contacts with the Japanese Navy within this year?

(Bizhenov), director of the political department of the Soviet Pacific Fleet said: I believe it is possible to establish ties with the Japanese Navy and this issue will be solved in the near future. Through the visit to Japan by Soviet President Gorbachev, which we hope will be a very successful one, it will be possible for us to commence contacts with the Japanese Navy this year. I believe this kind of contact will be beneficial to solving outstanding problems at governmental and state levels.

What is your view on the prospect of the Soviet Pacific Fleet establishing direct contacts with the Chinese Navy?

Vice Admiral (Bizhenov) said: I believe this issue will also be solved at the governmental level and then it will be possible for us to conduct direct military contacts and exchange visits with the Chinese Navy. I believe we will be able to do this in the near future. The Soviet Navy will also make new contributions in the process of normalizing Sino-Soviet ties.

Japanese Envoy on Prospective Ties to USSR

91UF0636A Moscow SOVETSKAYA ROSSIYA in Russian 11 Apr 91 First Edition p 5

[Interview with Sumio Edamura, Japanese ambassador to the USSR, by Yu. Subbotin; place and date not given: "At a New Level of Relations"]

[Text] [Subbotin] Mr. Ambassador, how do you assess the present state of Japanese-Soviet relations? In which spheres, in your opinion, are they developing most successfully, and in which are they far from the desired level?

[Edamura] If we compare the present state of Japanese-Soviet relations with what they were about five years ago, it has to be observed that they are developing apace.

In the sphere of trade Japan constantly occupies a leading place among the Soviet Union's Western partners. In 1988 it was in third place, in 1989, fourth. That same year our country put forward the idea of an expanded balance of Japanese-Soviet relations. According to this idea, while attaching great importance to a solution of the territorial question and the conclusion of a peace treaty, we simultaneously intend to exert efforts for the development of relations between our countries in the most diverse fields. In accordance with this principle, our country is, in particular, implementing a program of technical assistance for perestroyka. Within the framework of this approach Japan has resolved to grant the Soviet Union a total of $20 million of medical equipment for alleviating the consequences of the Chernobyl accident and also emergency assistance in connection with the temporary difficulties your country is experiencing with food and medicines.

It is anticipated that during the visit to Japan of the president of the USSR the parties will sign over 10 documents on cooperation between our countries in such fields as economics, trade, air traffic, environmental protection, nuclear power, and culture.

There have also been big movements of late in the development of political dialogue and cultural exchange between our countries. And, of course, Japanese-Soviet relations contain the potential of saltatory development. The opening up of these possibilities is undoubtedly being impeded, on account of the lack of resolution of the territorial question, by the absence of a peace treaty between our countries 45 years after World War II.

[Subbotin] What hopes does Japan link with the upcoming visit of the president of the USSR?

[Edamura] The main hope that Japan connects with the coming visit is that both parties will accomplish a breakthrough in a solution of the territorial issue and the conclusion of a peace treaty. A working group at deputy foreign minister level was formed in 1988 for preparations for the conclusion of a peace treaty. The group has held seven meetings. The parties have presented their historical and legal arguments. The exchange of opinions has been very useful. There was a meeting in Japan recently between our countries' foreign ministers. Both parties observed that debate at the working group level was exhausted and that the time for a political solution was approaching. I believe that the main role of the coming summit is to open the way to such a political solution.

Taking advantage of the opportunity, I would like to explain the essence of the territorial issue. This question concerns islands which prior to World War II belonged to no country other than Japan and had been secured for it by the peace treaty as a result of the signing of the Japanese-Russian Treaty of 1855. It is essential to establish the postwar state border legally by means of negotiations based, naturally, on good sense and justice.

I was asked at a lecture: "Germany has accepted the postwar borders, and this has become a foundation of security and cooperation in present-day Europe. Why should Japan also not accept postwar realities?" But as far as Germany is concerned, at the time hostilities ended, a large part of its territory was occupied by allied forces. Even its capital, Berlin, was occupied by the Soviet Army. Consequently, the borders which were accepted by Germany by no means reflect the actual position of the forces at the time the war ended. Nor, similarly, can Japan accept the situation which is the actual result of the use of the armed forces as a "postwar reality."

One further example. Following the liberation of Kuwait, the multinational force has also occupied the southern part of Iraq. But this by no means signifies that it must remain there permanently.

In an interview with Japan's KYODO TSUSHIN Press Agency President M.S. Gorbachev expressed a readiness to discuss in the course of the summit all questions of our bilateral relations, including the territorial question. Japan understands the entire complexity and sensitivity of this matter. But its solution, rational from the historical and legal viewpoints, would by no means signify unilateral concessions on the part of the Soviet Union and would by no means harm the USSR's prestige as a great power. On the contrary, it seems to us that the readiness to discuss and resolve so complex a question demonstrates the sincerity, peaceability, and good will of your great country. Proceeding from this, I would like to hope that the approaching historic visit of the Soviet leader will make it possible to accomplish that very breakthrough which I mentioned earlier. And this would make it possible to raise our relations in all spheres to a new level.

[Subbotin] The new political thinking proclaims a transition from a balance of forces to a balance of interests. Are there, in your opinion, interests common to our two countries?

[Edamura] I am most likely repeating a truism, but Japan and the Soviet Union are neighbors who cannot settle further away from one another. For this reason there is not the slightest doubt that in all spheres we can derive mutual benefits from cooperation between our countries.

For example, Japan could participate most actively in the development of the infrastructure of the Soviet Far East and Siberia, which are extraordinarily rich in natural resources. Subsequently, we could cooperate on a broader basis in the sphere of advanced science and technology, in which both countries have great achievements.

The following example is frequently cited. The techniques of continuous steel casting were developed in the Soviet Union, and they were successfully introduced in our steel industry. Some 97 percent of the steel is made in accordance with these most efficient techniques in Japan today. It would seem that cooperation in the sphere of science and technology would serve the interests not only of our two countries but of the world.

There is a common foundation in the sphere of international politics also. If our interstate relations were to go beyond the framework of simple dialogue, the USSR and Japan could make a substantial contribution to a strengthening of the stability and to the prosperity of the whole world community.

[Subbotin] What, in your opinion, is the role of economic cooperation with Western countries, which in the broad sense include Japan, in the surmounting of the difficulties which the Soviet Union is encountering currently?

[Edamura] Prior to my appointment to my present post I was ambassador in Indonesia. When I arrived there, the economy of this country was encountering great difficulties on account of the steep decline in the world oil price. To overcome them the Indonesian Government undertook a liberalization of trade and investments in order to promote the development of the sectors of industry that are not connected with oil production. As a result Indonesia rid itself of strict dependence on oil production and exports and advanced along the path of development of the new industrial countries. In this regard an Indonesian friend of mine used words that are similar in meaning to the Russian saying: Every cloud has a silver lining.

Difficulties are inevitable in a transitional period. In order to contribute to the surmounting of them our country doubled its economic assistance to Indonesia. International organizations participated in this process also. It seems to me that this example shows that, given a choice of the correct economic policy, foreign aid produces results also. As far, however, as the Soviet Union is concerned, in its history it has overcome a multitude of difficulties. I am sure that the great Soviet people will overcome the present difficulties also.

[Subbotin] Mr. Ambassador, how would you formulate the "secret" of Japan's economic successes? What is the role in it of the "national factor"?

[Edamura] In my view, it is the dynamic nature of the private sector, competition, the low level of military spending, and the correct choice of government policy in regulation of the development of industry. I do not believe that these elements reflect singularities of the national character of the Japanese. They are entirely applicable in other countries also. For example, a key role in the methods of enterprise management in Japan is performed by total product-quality control. In a very simplified form this means that all employees at an enterprise participate in work on improving the quality of the manufactured products. This idea was born in the United States, but it has been introduced in Japan and is proving very successful.

An enterprise in the United States rewards immediately and substantially an employee who has made an interesting and useful suggestion. In Japan, on the other hand, the amount of the reward is, as a rule, negligible. Extremely important for the Japanese is the sense of participation in the activity of the enterprise. This reinforces the sense of responsibility for his work and, consequently, enhances the quality of the end product and leads to a growth of the workers' prosperity.

[Subbotin] How do you see Japan and the rest of the world in the coming 21st century?

[Edamura] There have been two world wars, and immense stockpiles of nuclear and other weapons of mass destruction have been accumulated in the 20th century. I would call this century one of tension and confrontation. Under such conditions international influence is enjoyed primarily by the countries that possess military power. But at the very end of the 20th century a new trend is coming into being. It is the end of the "cold war" and new international cooperation, at the center of which is cooperation between the Soviet Union and the United States. We hope that this trend will develop and finally prevail in the international relations of the next century.

I believe that the historical experiment of Japan, which despite its economic power has only a limited defensive capability, will be duly appreciated. My country intends to adhere to this same policy in the future also.